## FINANCIALTIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,770

Monday January 22 1979 CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DERMARK Kr 3.5; FRANCE Fr 3.5; GERMANY, DM 2.0; ITALY, L 500; NETHERLANDS FI 2.0; NORWAY, Kr 3.5; PORTUGAL Sec 25; SPAIN Pts 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

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### NEWS SUMMARY.

GENERAL

### **Funding** for new Europe missile

The U.S. may deploy in Western Europe nuclear missiles capable of striking deep inside the Soviet Union. "Study funds" have been set aside in the 1979-80 defence budget due out

today. The installation of such missiles would be a major change from policy. Current American missiles in Europe have a maximum range of 450

Development of the new weapons is cited in Washington as one of many defence budget Sullom Voe oil terminal will measures aimed at strengthen- rise to more than £1bn if BP's ing the U.S. commitment to Europe. Page 2

#### Race halted

start when the McLaren of Irishman John Watson lost a tyre. A number of other drivers importation of oil and gas were forced off the track includequipment for exploration and were forced off the track includ-ing Andretti of the U.S., Lauda (Austria), Scheckter (SA) and Tambay and Pironi of France. Brazil's Piquet was slightly hurt. Jacques Laffite of France, won the race.

#### 'Spies' held

West German security authorities carried out one of their largest counter-espionage operations in recent years, when information from an East German defector led to the arrests of at least five people connected with a nuclear research establishment at Karlsruhe. Page 2

#### Freighter probe

the freighter Huey Fong, the captain and crew were being questioned by police. Hong Kong allowed the ship in after it had anchored offshore for a month but the captain could face four years in jail for carrying unscheduled passengers.

#### Murder charge

A teenage boy was charged with murder at Corringham, Essex, after a fire in which two of his brothers and two foster children died. The boy's mother and two other children survived

### Sithole optimism

The Rev. Ndabaningi Sithole, a detailed plans in the recent member of Rhodesia's ruling expenditure White Paper. Page 3 executive, predicted that the war would subside after the oneman, one-vote elections scheduled for April. Patriotic Front leaders have said they will sabotage the poll.

#### Security march Nearly 3,000 people marched to

The Texaco depot on Canvey Island, Essex, demanding inreased security following the 1RA bomb which damaged a storage tank last week.

#### Now it's fog!

Thick fog replaced snow and ice as Britain's main weather hozard, with numerous flights cancelled at London Heathrow air port. The M4 was among roads on which speed restrictions were made.

#### Briefly . . .

Girs aged three who went missing on Saturday was found dead in Derby.

Six people were burned to death; in a fire near Cadiz, Spain. Jockey Lester Piggott's fourth serious overcapacity. Page 3 attempt to win the Singapore Lion City Cup failed. He finished third.

Troops loyal to Premier Pol are nesisting the Vietnam-invasion of Cambodia (Kampuchea). Winner of the £75,000 Premium

Bond prize lives in Surrey. No.: 5FZ 451300.

### BUSINESS

### Kuwait may sell more oil

• KUWAIT, which has for some time refused to sell any for the shortages caused by the Iran crisis, is considering special short-term contracts with Shell, BP and Gulf, Kuwait's three biggest customers and members of the Iran Consortium

Consortium. The Kuwaiti contracts, for shortfall in crude, but it is hoped that other producing countries may be persuaded to follow Kuwait's lead. Back Page

• CONSTRUCTION cost of plans for additional tanks, pumps and a fifth jetty are given the go-ahead. Back and Page 4

O PEMEX, the Mexican state-The Argentine Grand Prix was owned oil company is to meet stopped 30 seconds after the today representatives of 35 European companies, including 23 from Britain to discuss the production.

> • CONSUMER CONFIDENCE has been sharply affected by the wave of industrial unrest, according to the latest Financial

Times survey today.

The index of "future confidence" has fallen to -27 per cent, the lowest level since the late 1976 sterling crisis. Some 41 per cent of consumers surveyed expected conditions to worsen, while only 14 per cent were optimistic. Page 3

• MOST EMPLOYEES now signing pay deals are getting more than the Government's basic 5 per cent pay limit, As the first Vietnamese refugees according to figures released came ashore in Hong Kong from the freighter Huey Fong, the federation's data bank shows that most of the 1.6m people now covered by 537 pay deals exceed the limit either by using the White Paper's exceptions for low-pay or productivity deals, or by ignoring the rules altogether. Back Page

• GOVERNMENT'S public spending plans are being examined by an all-party committee of MPs which hopes to enlist the help of a wide range of academic and City economists. During a number of public hearings at the end of the month, senior Treasury officials will be questioned about the economic background and

**● MORE FINANCE** is likely to be available for industry this year, according to City stock-brokers Wood Mackenzie, who forecast that 1979 should see the opportunity for funding more industrial investment. Page 3

• THIRD attempt to negotiate a new International Wheat Agreement, to control world wheat prices, begins in Geneva today. Back Page

 BARTER deals with Eastern Europe by multinational chemi-cal companies could put at risk the jobs of thousands of workers in the West, according to a GMWU booklet published today.

• TEN EUROPEAN petro-chemical plants have been forced to close over the last few months because of a series of accidents, technical faults and industrial disputes, but pro-ducers claim that the effect of the closures has been to tighten up markets where base chemical

● AN £84m acceptance credit is being put together by a group of City banks as part of a new scheme to finance the vehicle stocks of BL dealers. The deal is one of the largest ever floatd in the City money markets and will provide BL dealers with credit finance from next month

onwards. Page 4

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## Government plans public sector pay norm of 7-8%

BY PHILIP RAWSTORNE

The Government intends to make a determined stand against the public service workers' campaign of industrial action, which begins today, in an attempt to save its anti-inflation policy from complete destruction.

Ministers, admitting that the of interim awards from com- leaders will today have the 5 per cent pay battle has been parability studies that would chance to test how far the lost, are now prepared for a slow immediate higher pay Government is ready to give on tough rearguard action to hold settlements in the public service pay at a meeting the public sector pay line at services.

about 7-8 per cent.
Mr. Peter Shore, Environment 40,000 barrels a day, will only cover about 10 per cent of the service workers, said yesterday:
"It would be a total folly for the Government to give up in these parts of the public sector knowing that this might be the signal to others— like the miners—with far greater power."

The 7 per cent offered by the Government would have to be

the basis of settlements in the public services, he declared.

Mr. Shore's stand was strongly reinforced yesterday by other

the Commons, said that the Government was resolved to continue its fight against inflation and would not be panicked. The country had seen the disastrous effects of a wages free-for-all. The most sensible approach would still be through

the unions. Another senior Minister said the Cabinet was united in its determination to hold the line

Mr. Shore, in an interview with ITV's Weekend World, firmly ruled out the possibility

BY MARGARET VAN HATTEM

UNPUBLISHED EEC statistics

suggest that abolition of the

demanded by France during the

negotiations for a monetary

system, would have a far more

dramatic effect on farm incomes

than on member countries' bal-

ance of payments, if existing

However, the EEC's budget

In the UK, food costs for the

consumer would rise by about

£1bn, but only £300m of that

cost of food imports, now subsi-dised. The rest would go to

In West Germany, where sub-

stantial food exports are made possible by the subsidies, the

statistics suggest that if prices

were dropped to the present EEC average, farm incomes

the British food industry.

represent the higher

prices were unchanged.

costs would rise markedly.

currency

"I am certainly not in favour of trying to rush this serious exercise. I am certainly not in favour of back-paying on that. It simply stokes up inflation,"

he said.

"We've lost the (5 per cent)
battle but we've not lost the
war against inflation."

A Government surrender would mean that any benefits to the low paid would be wiped out within a few months, public spending would be curtailed and unemployment would in-

The pay round was still in its Cabinet Ministers. early stages and, while doing Mr. Michael Foot, Leader of its best to avoid confrontations, the Government was not going to give up the fight.

#### **Emergency**

The Cabinet's emergency committee under Mr. Merlyn Rees, Home Secretary, will meet today to review the first agreement and co-operation with effects of the public services' industrial campaign as well as the transport strikes.

as close as possible to its original 5 per cent "whatever forms part of the peace package the traumas, damage and danger."

Manual Amage and danger is a second or sec troduced in the Commons in the next few days.

EEC counts the cost of

as a levy on low-cost exports.

Those figures clarify some of

the issues in the three-cornered

dispute between France, West

Germany and the UK over the

Britain is to some extent re-

but insists that EEC prices of

protecting its farmers' incomes,

including possible compensation

The impact on the EEC's budget arises from the fact that

official EEC prices expressed at

current exchange rates are 71

age of national prices in the

The consequent rise in aver-

age prices would stimulate extra

production, adding to existing

£300m more, thanks to the net annual saving by cutting out missioner, is expected to make abolition of monetary compented the existing monetary compensation an important statement on the

per cent higher than the aver-

Germany is seeking means of much pain.

ending green currency

green currency issue.

from EEC funds.

public service pay at a meeting of the TUC-Labour Party liaison committee. One union leader said yester-

day that the Government had to find the political will to move further towards meeting the demands of local authority and health service manual workers

if it was to restore order.
Led by Mr. Len Murray, TUC general secretary, the unions are likely to impress on the Government the urgency of a new accord on collective bar-gaining more in line with TUC policy to prevent further industrial disorder of the kind

seen last week. Some union leaders were cautiously optimistic that negotiations for the public service workers were looking flexible enough to prevent protracted industrial action. A campaign of selective strikes has been prepared to follow to-day's national one-day stoppage and demonstration.

Today's meeting at Congress House is not expected to pro-duce any great initiatives, since the committee's main role is to discuss longer-term economic and social policies under the umbrella of the social contract. A report on the industrial scene will be made, however, at this afternoon's regular meeting he next few days. of the TUCs own finance and Christian Tyler writes: TUC general purposes committee.

The cost of subsidies for

community food exports to non-

EEC countries, £1bn annually,

If the green currency system were phased out very gradually during prolonged EEC currency

absorb the costs and strong-

That is much to ask. . The

struggle to reconcile France,

Britain and West Germany to

open the way for introduction of the European monetary

system and for negotiation of

this year's farm price review

does not appear to be near

would also rise.

signed to losing the protection stability, the weak-currency of the scheme sooner or later, countries might be able to

products now in large surplus currency countries to lower are unrealistically high. West their farm output without too

the existing monetary compensa- an important statement on the

### seek same pay rise as miners By Christian Tyler, Labour Editor A DEMAND for a formal pay

A DEMAND for a formal pay inquiry, to give railwaymen rises comparable to those won by miners: and power pay inquiry, to give railwayworkers this year, is being considered by the National Union of Railwaymen.

This emerged as a last-minute attempt by British Rail to avert tomorrow's oneday strike by train drivers appeared to have falled.

Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, said

Lorry strike effects Page 4. Denning book Page 5. Justinian Page 10. Editorial Comment Page 12. CBI pay study news of lorry drivers' public service workers disputes Back Page:

the Board's invitation for allunion talks today seemed to be another attempt to submerge the 10 per cent bonus claim in the general 1979 wage bargaining.

He described the position as "very serious." ASLEF's executive would today be considering further industrial action to follow tomorrow's strike.

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, said he could accept the board's invitation only if the talks were about the general wage claim and not ASLEF's separate demand for an immediate 10 per cent produc-

When the general negotia-tions start, Mr. Weighell plans to put up the comparability argument because the Prime Minister had offered public service workers a formal link-with outside industries. He said a formula of the

band inquiry for railwaymen, but superseded more than 10 years ago, would have to be put back on the agenda."
In response to its claim for

a "substantial" increase the NUR expects an offer of at least 81 per cent to flow from the amended pay guidelines and consolidation into basic pay of the existing railmen's bonus scheme. It wants a further productivity scheme to run from the end of April and is claiming a 35-hour

The NUR will carefully watch the miners' negotia-tions, which open on Thurs-day, and the parallel bargaining in electricity supply yet to get under way.

### NUR may Carter will present tight budget today

today present to Congress a help cure inflation and that the "lean and tight" budget for the fiscal year beginning in October designed to demonstrate his commitment to fighting inflation.

The President disclosed at the president disclos

Overall Government spending, Administration officials have said in recent weeks, will rise to just over \$530bn, an increase in nominal terms of over 7 per cent compared with the current year. However, the impact of inflation is such that the spending growth in real terms will be negligible.

Given the fact that Mr. Carter has said that he is determined to fulfil his pledge to the NATO alliance and increase defence expenditure in real terms by 3 per cent, the budgetary axe has descended most sharply on domestic social programmes.

With defence accounting for nearly one-quarter of all U.S. Government spending the extent of the social cuts has dready prompted a fair amount of criticism. But the President maintained at his Press con-ference that the needs of the disadvantaged had been met and that additional funding had been found for the poor and for iob creation.

### Small step

Criticism of the budget is not liberal wing. One conservative assumes that these policies will achieve a reasonable degree of weekend that the President had the considerable attention is likely to be confined to the taken "A small step towards restraint when we need a giant leap." He compared the budget to a package of liacon in the supermarket since the fat was only evident when the package was opened.

Given the diversity likely that Congress will make its troop strength in Europe. several changes to the Presi. Such measures are clear. dent's proposals in the months head. However, the alterations the internal composition of the budget than to its everall ceil-

recession as a result.

tion seems engyinged that the to the British aerospace indus-ailing United States is now try. ready to accept a reasonably The U.S. Federal Budget Page 23

PRESIDENT CARTER will strong dose of fiscal medicine to

The President disclosed at his Press conference last week that the budget deficit had been reduced to about \$29bn, or about \$1bn under the estimated shortfall for the current fiscal year.

Overall Communication officials recently have given hints of the economic assumptions underlying the budget. Real economic growth is projected in the 2-21 per cent range for the current calendar year, which would be a reduction from the 3.9 and 4.0 jected in the 2-21 per cent range for the current calendar year, which would be a reduction from the 3.9 and 4.9 per cent respectively of 1978 and 1977. This would be enough, it is believed to prevent unemployment from rising excessively.

The Administration's optimism in this regard stands in contrast to the opinion of many

contrast to the opinion of many private economists who predict an outright recession, although there is disagreement about its timing and severity.

#### Weak dollar

A reduction in growth, if associated with greater expansion among the major trading partners of the U.S. should bring about an appreciable reduction in the external U.S. payments deficit. This could contribute to relieving one of the fundamental factors that has weakened the dollar.

The Administration is also assuming an inflation rate of approximately 7.5 per cent for the present year, about one percentage point below that recorded last year.

A year ago, it severely under-estimated the rise in the cost of living, but it now has more policies at work combating inflation including an austere budget. The budget, naturally,

likely to be focused on the details of the defence budget. It is expected that it will include substantial additional funding for major strategic weapons programmes such as the MX mobile missile system, and for strengthening the U.S. opinions on Capitol Hill, it is capacity to reinforce speedily designed to convince the Soviet Union that it cannot hope to will probably be made more to gain military superiority over the U.S.

It is also anticipated that, as previously reported, the budget Nevertheless, the Administra will all but eliminate funding tion seems convinced that the for U.S. development with the ailing United States is now UK of the improved version of ready to accept a reasonably the Hawker Harrier jump-jet strong dose of fiscal medicine News of the impending U.S. to help cure inflation and that decision has already created a the patient will not lapse into fuss in the British Parliament on the grounds that some \$1bn Nevertheless, the Administra- worth of contracts will be lost

### Khomeini's plans for return arouse fear of new clashes

BY ANDREW WHITLEY IN TEHRAN

satory arrangements, which act tory amounts.

exile has aroused fears that still further divisions may be provoked in the country.

A leading Opposition politician close to the 78-year-old Ayatollah admitted that he was "astonished" that Khomeini was returning so soon, before delicate negotiations between Khomeini's emissaries and Army generals had reached

On hearing the news at the weekend, Mr. Shahpour Bakhtiar, the Prime Minister, restated his determination to stay in office on the grounds that he was the country's legitimate authority. In any but highly abnormal circumstances. Shi'a Moslem leaders do not criticise each other, preferring a common

But in response to Khomeini's derogatory description of the most senior religious leader in Iran, Ayatollah Kazem Shariat-Madhari, at Qom, as "a moderate in the American sense of the lutionary council to run the have been encouraged by the word," he retorted yesterday country while a provisional response to his call to members that if this were so, then Government is being set up are of the Iranian Parliament and Khomenici was "an extremist in the same sense." In Tehran about 10,000 Left-

THE PLAN of the Ayatollah the Opposition leader and clash- small radical party. Ruhollah Khomeini, the Iranian ing with religious students, religious leader, to return home Groups from the banned pro-Moscow Tudeh Party were among the crowd that gathered at the Technical University. Clashes were reported in a number of small towns at the weekend, leaving at least three dead. Gangs of pro-Shah men

with sticks were said to have Of greater concern to the authorities must be the number of reports in the Press of dissension at Air Force bas Saturday's Kayhan and Ete-laat said there had been trouble at Bandar Abbas on the Gulf, in Hamadan, Islahan and other

An earlier report of tension at the Shahrokhi air base in the South last week was said to have been confirmed by military officials. One reason given here for early return of the Ayatollah is that his associates feared that the longer he stayed away the greater the divisions in the Opposition would become. Members of an Islamic revo-

In recent days several groups opposed to possible exchange of a theological one have begun to speak out. A statement from the Marxist

Feda vin-e-Khalq guerrilas that the "Iranian revolution should not be monopolised by any par-ticular social group" has been printed in all the newspapers.

A new political party of intellectuals, led by the respected writer Haj Sayyed Javad, pledges in its manifesto to establish democracy, and resist despoism and "totalitarian" extens of someonest. tarian" systems of government.
Robert Mauthner writes from
Paris: The Ayatollah Khomelni
has lived at the small village

After Friday's massive peace ful demonstrations throughout Iran, the Ayatollah said he regarded these as a referendum backing the Islamic Republic he has all along demanded. The Ayatolish appears to

of Nesuphle le Château, near Parls, since arriving in France

expected to be named in a day the Regency Council set up by the Shah to represent him in Among them are likely to be his absence to give up their wing demonstrators, students two Tehran religious leaders seats and functions to make way and workers, ran through the close to Khomeini, and Mr. for what he called the "true streets tearing down pictures of Mehdi Bazargan head of a representatives" of the people.

### Get the best It is likely to dominate an informal meeting of EEC farm France would suffer an ining £2.5bn annual bill for food fair, in Berlin later this crease in food cost of £470m, intervention buying would soon but existing exports would earn outstrip the actions of a continuous accounting the green week, a big annual farm and the green week week, a big annual farm and the green week week, a big annual farm and the green week week week when we week when we week when we week when we were the green were the green were the green week week when we were the green were the green were the green week week when we were the green were the g hospital treatment in the country, and leave your cheque book at home.

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4	

**OVERSEAS NEWS** 

## Carter earmarks budget funds for middle-range European missile

Western Europe nuclear the Russian SS-20 missile missiles capable of hitting (which carries three warbeads targets deep inside the Soviet and is targeted on Western Union by the mid-1980s. This Europe), and the threat posed would be a major departure as by the supersonic Soviet Back-none of the American missiles fire Bomber. Neither the SS-20 presently in Europe have a nor the Backfire Bomber, prorange of more than 450 miles. vided it is not deployed on Defence Department officials inter-continental strike missions said yesterday that "study" against the U.S. itself, would funds for this new intermediate be restricted under the prorange missile have been posed Salt 2 treaty. included in the new 1979-80 The option of a r budget due to be presented range missile in Europe, which today. It is cited as among the

to Western Europe. The development of the new mit in Guadeloupe earlier this

Rhodesia

war 'will

ebb after

elections'

Mr. Sithole said the new

nation of Zimbabwe (Rhodesia)

stood a good chance of winning

international recognition. He

said he had received favourable

indications from Western Euro-

pean and African countries

rule Government there can be

no doubt there will be a con-

siderable de-escalation of the

war," he said in a television interview with a panel of Rho-

desian and foreign journalists.

guerrillas who are sick and tired

of the war-they would like to

Somali President Mohamed

Siad Barre has opened the way

for future co-operation between

his country and the Soviet Union despite their split over

Moscow's support for Ethiopia

during the Ogaden war 14

months ago, Reuter reports

from Mogadishu. At a congress

of the ruling Socialist Party (SRP) at the weekend, the

prepared to negotiate with the

Marxist military government in

Addis Ababa over independence

for the disputed Ogaden border

Indian bank employees yes-

terday agreed to end nearly a

month of strikes and work slow-

downs and to re-enter negotia-

tions on their wage and other

demands, the Government announced, AP reports from

Indian Prime Minister Morarji

Uganda border charge

Uganda has said three towns

have been captured by invading

forces and accused Tanzania of

"intolerable provocation." Reuter reports from Nairobi.

Angola has announced it has accepted a request from China

for a meeting to discuss the establishment of diplomatic relations, the official news-agency Angop said. In a telexed

despatch to Reuters in London,

it quoted a communique issued by Angola's top ruling body, the

political bureau of the central

committee of the Popular Movement for the Liberation of

Lagos Caribbean loan

Nigeria has become the first

African country to offer a loan

to the Commonwealth Carib-

bean, Tony Crozier writes from

Bridgetown, An agreement has

been signed between the

Nigerian government and the

Caribbean Development Bank for the sum of \$5m. It will be

used to finance agricultural

credits through the state

development banks and govern-ment counterpart contributions

to Caribbean Development Bank

Orenburg pipe finished

The 1,700 mile "Soyuz" gas pipeline linking theh rich Oren-

burg gas deposits with Eastern

Europe has been completed after

four years of work by the Soviet

Union and East European mem-

bers of Comecon, David Satter

writes from Moscow.

Angola (MPLA).

projects.

Angola-China talks

Desai China pledge

New Delhi.

India bank strike ends

President also said he

Somali Moscow thaw

come home," he said.

have thousands of

Once we have a majority

which he did not name.

April poll.

THE U.S. may deploy in missile is seen as a response to month. The four leaders clearly have made, it clear that they

The option of a new longer would take several years to many defence measures to develop and produce, was en-strengthen the U.S. commitment dorsed at the U.S., British, French and West German sum-

differences inside the NATO alliance over the neutron bomb,

The new budget keeps open President Carter's option to weapons in Europe. The new order deployment of the neutron missile would provide a handy high radiation bomb at some later date, however. Funds are provided for the confinued production of the Lance missile and the 155 mm Howitzer—the two likeliest weapons on which the neutron bomb warhead might be

The new nuclear missile proleast from the Russians who

wanted to avoid last-minute will want to curb the British and French nuclear strike forces in any Salt 3 negotiations, which will focus much more on nuclear weapons in Europe. The new bargaining chip for NATO as a possible trade-off against the

The U.S. budget also provides \$144m for the development of a longer range Pershing 2 missile to be based in Europe. At present, American nuclear missiles, in Europe—the Persh jest for the European theatre ing 1, the Lance, and Honest is likely to stir controversy, not John-have ranges of less than

### Spy sweep after Berlin defection

WEST GERMANY'S security authorities carried out one of their largest counter-espionage operations of recent years over the weekend, when information from an East German defector THE REV. Ndabiningi Sithole, led to the arrests of at least one of the leaders of Rhodesia's five people connected with a transitional Government, forenuclear research establishment

cast yesterday that the war in Rhodesia would subside after The effects of the round-up one-man, one-vote elections were on West German public opinion were, however, marred when Herr Kurt Rebmann, the held on April 20, AP reports He made the forecast despite Attorney-General, admitted that the pledge of the Patriotic Front one of the five had later guerrilla alliance to smash the escaped from a police car on

his way to a remand prison. The authorities issued an appeal for public help in finding the man, named as Rainer Paul Fuelle. He was said to have been employed as an accountant at the Karlsruhe plant of a company set up to

secret material or security pro-

been named fled to West Berlin result. last Friday night from the East Herr Guillaume, who is serv-German Ministry of State ing a long jail sentence, under-Security. He was accompanied by his wife and child and was still under interrogation last night. It is understood that he brought a large quantity of documents with him.

It was not clear last night who the other four arrested suspects were, or whether they were all employees of the recycling com-Counter - intelligence officials believe the spy ring to have been "important, but not

agency. More than 100 East German prepare for commercial reagents have been arrested in missing from his marine air cycling of nuclear fuel elevarious branches of West Gersquadron in Schleswig since the ments. A company spokesman man public life since the most end of November.

said yesterday that Herr Fuelle spectacular case of all in April had no direct access either to 1974—that of Herr. Guenther Guillaume, an official in the Bonn Chancellery of Herr Willy The defector who has not Brandt, who resigned as a

went surgery last week for a Reuter adds from East Berlin:

East Germany said yesterday that a NATO officer had crossed over to East Germany with important documents and had applied for asylum. The official news agency said the officer was Lieutenant-Commander and had worked for many years on the operational staff of various NATO intelligence departments.

In Bonn, the Defence Ministry in the top category," according In Bonn, the Defence Ministry to the West German news said the East Germans were probably referring to a West German officer who has been

### Atherton hears Israeli decisions

MR. MENACHEM BEGIN, the

Israeli Prime Minister, met with Mr. Alfred Atherton, the U.S. special envoy, yesterday to inform him of decisions reached at a five-hour meeting of the Israeli Cabinet. The nature of the decisions

was not immediately disclosed. Mr. Atherton had been expected to leave for Cairo today but it was announced last night that he would remain in Israel for at least another 36 hours for further talks.

The Cabinet session yesterday followed a dramatic midnight meeting between the U.S. and Israeli negotiating team during which Mr. Atherton conveyed the contents of an American letter he had received in reaction to his report on his talks earlier in the week with Mr. Begin and the Israeli negotiating team. The midnight talks lasted until 2 am.

American letter proposed making paragraph six of the proposed peace treaty more acceptable to Israel. This is the paragraph dealing with the question may further delay progress of Egypt's previous undertakings with all three parties to the graph dealing with the question overriding the new treaty.

Another sticking point which might be bridged by the U.S. is that of linkage between the treaty and autonomy in the West Bank and Gaza.

Roger Matthews adds from Cairo: Egypt will not budge a millimetre from the basic conditions it has laid down for signing a peace treaty with Israel. This was stated by Mr. Hosny President Sadat who said in Khartoum that there was no question of Egypt signing a separate treaty with Israel.

Speculation here is that the negotiations are not promising merican letter proposed with the situation in Iran providing an additional complication. Some Egyptian officials believe that the Iranian crisis stalled talks trying to assess the wider impact of events in Tehran. Reuter wirtes from Damascus:

Palestinian leaders have drawn up detailed plans for political and military action to resist Egyptian-Israeli peace moves, a spokesman for the Palestine Liberation Organisation said. The proposals will be voted on by the Palestine National Council, a parliament-in-exile now in session here. Recommendations

firm rejection of the Camp David accords, the need to step up guerrilla warfare against Israel and a cautious approach The prospects of an early to an emerging rapprochement resumption to mid-east peace between the PLO and Jordan.

### UN plan for Lebanon stability

Desai reassured the Soviet Union yesterday that any warmsouthern Lebanon again to participate in the vote. explosive following a new A key paragraph of ing of India's policy towards China would not be at the expense of a third country, AP reports from New Delhi. Mr. Desai, addressing a news conference, reacted angrily when a reporter asked him if he had gramme to promote Beirut's border. received "clearance" from Moscow for a visit to Peking authority over the troubled region. next month by India's External
Affairs Minister. "We don't
ask anyone for clearance,"
snapped Mr. Desai. But he Dr. Kurt Waldheim, the

Secretary-General, and the Government were asked to prepare these plans in a statement agreed to by the 15 members of the Security Council, which approved on Friday night a five-month went on to make it clear India's relations with China will not be at the expense of a third extension of mandate for the UN force in Lebanon, UNIFIL. The statement, complementnear its border with Tanzania for the formal resolution. The Soviet Union and Czecho-slovakia abstained, and China, which objects in principle to terrorists consistently prevented

WITH THE situation in the use of UN troops, refused entry or passage of the A key paragraph of the Israeli strike against Palestinian resolution deplored Israel's lack that Israel "will continue its guerrilla bases and Lebanese of co-operation with UNIFIL policy of taking necessary action leftist forces, the UN and the Lebanese Lebanese Government will Christian Militia, which controls shortly try to agree on a pro-

> The Israeli delegate, Mr. Yehuda Blum, accused the council of failing to come to grips with the real issue in Lebanon and of having produced "a highly one-sided and unbalanced political resolution." He drew members' attention to the fact that UNIFIL is not deployed in the Tyre area, which reaches within eight miles of Israel.

There are some 1,500 Palesing the Council's formal resona-tion, was read out by the Presi-tion, was read out by the Presi-dent, Mr. Donald Mills of stationed in refugee camps dent, Mr. Donald Mills of there, in the town and else-

Lebanese army. Mr. Blum warned the Council against PLO bases used for the training of terrorists and for launching criminal activies against Israel"

● AP adds from Tel Aviv: Prime Minister Menachem Begin vowed yesterday Israel would "continue to hit" Palestinian bases in Lebanon to prevent further terrorist attacks and Israeli artillerymen fired across the northern border in response to a new round of rocket attacks on frontier settlements.

No injuries were reported in two separate rocket attacks yes-terday morning on the town of Kiryat Shmona and nearby farm settlements in northernmost Galilee — areas that were rocketed on Friday after an Israeli ground force made a prebases in Southern Lebanon.

### Pol Pot forces in fierce clashes with invaders

BANGKOK - Fierce clashes tier since the fall of Phnom were reported to have taken Penh. Border officials said place in Cambodia yesterday four Thai border police were between pro-Vietnamese forces and troops loyal to the Pol Pot

Diplomats said the clashes occurred in both the north and south of the country, especially in Takeo and Kampot provinces where Khmer Rouge soldiers were still putting up stiff resistance to the advance of Vietnamese-led units.

The new Government in Phnom Penh has frequently claimed complete control of the country. But diplomats said artillery and mortar fire was still being heard in one area.

The war has not produced the expected flight of large numbers of refugees into Thailand but about 2,400 people, believed to be families of Khmer Rouge soldiers, are waiting near the border.

About 350 unarmed people, Thais to be Khmer Rouge troops, have crossed the fron- Reuter

Border officials said wounded yesterday in a clash with a group of armed Khmer Rouge who were trying to take refuge in a district east of Bangkok.

The absence of refugees in any great number is interpreted by diplomats as indicating that Pol Pot might receive support from the population if he carries out his intention of fighting a long guerrilla war

In Peking, Mr. Ieng Sary, Foreign Minister in the Pol Pot Government, told Western diplomats during a 90-minute meeting on Saturday that the loss of the deep-water port of Kompong Som would hinder the fight. "But we are ready for this eventuality and we will have other possibilities," he

Mr. Sary said that the whole of the Pol Pot Government was most of them believed by the in Cambodia, directing the resistance.

### India gets £145m aid from Britain

Peter Preston, Permanent Secretary of the Ministry of Overseas Deevlopment, arrives here for talks. £580m of debt relief is also expected over the next 22 years, to be used for local cost financing of British-aided projects. The debt relief is on repay-

used flexibly.

A number of British mis-sions have been visiting India in the past few months to identify areas of co-operation and sell machinery and equip-ment for which the aid funds

could be drawn. ment, to be formally announced on Thursday is marginally higher than last

### Spending on world rail systems may top £12bn

By Ian Hargreaves, Transport Correspondent

CAPITAL expenditure on railways outside the U.S. and the Communist world is expected to rise by 18 per cent to over £12bn this year. according to the latest investment poll by the International Railway Journal.

In the U.S., the rate of spending will increase at an even more rapid rate, rising by 25 per cent to reach £2.5bn. This reflects the efforts being made to modernise what is one of the world's largest but most run-down railway net-

The biggest spenders out-side North America in 1979 will be the railway administra-tions of South Africa, with plans to invest £796m. France with £800m and Brazil with £552m.

British Rail comes well down the list, with its investment level frozen at £312m again this year, compared with the £480m to be spent on the slightly smaller Italian

The importance of the U.S. market in 1979 is underlined in the poll's findings on main line locomotive and goods wagon purchases.

Outside the U.S., railways plan to buy 1,200 locomotives and 35,000 wagons, compared with 85,000 wagons and over 2.400 locomotives inside the

In addition to the expenditure on main line railways, the poll also describes the continuation of the rapid transit

A survey of 45 cities indi-cates total spending of £3.5hn this year with big investment planned in new systems in Tehran (£261m this year). Rio de Janeiro (£161m). Pitts-burgh (£152m), Hong Kong (£156m) and Caracas £107m.

Among existing systems. Boston tops the investment list with £235m, followed by New York (\$214m) and Paris (£210m). London Transport, in spite of work on the new Jubilec Line, lags well behind these metro authorities with a hudget of £55m.

### London talks on NZ dairy imports

By Christopher Parkes

MR. BRIAN TALBOYS, New Zealand's Deputy Prime Minister. is visiting London this week to negotiate future access to the British market for butter and cheese. Current arrangements allow

New Zealand to send 115,000 tonnes of butter this year and expire with a 110,000-toune quota in 1980. Imports of New Zealand cheese ended in 1977, but there are hopes that an annual queta of 15,000 tonnes can be arranged. Although the British Gov-

ernment is keen to retain New Zealand dairy supplies, all the other Community countries want to see the trade phased out rapidly. The British dairy industry is also anxious that New Zealand imports should be stopped.

Last year New Zealand supplied almost 40 per cent of British butter needs.

## Saudi financial scrutiny hits foreign contractors

tractors, have received addi with revenue estimated at moves afoot to introduce a tional support from Crown SR 115bn on oil output of 8m monthly budgetary system for Prince Fahd.

In a statement to the Council widely considered approxi- Finance Ministry would not of Ministers, the Crown Prince mately equal to the total actual confirm this

said that while the Government spending in 1977-78 against a was anxious to see projects projected SR 111bn. under the current five yearfully.

The stringency measures, introduced in the June 1978

budget to reduce Ministry waste and cope with a revenue short-fall, include a stipulation that no commitment on new projects with a total value of over 100m Saudi riyals (£15m)—and very few are less—can be made with-out the prior approval of the Crown Prince's office. The Ministry of Finance and National Economy confirmed

this last week According to local bankers, whose business has expanded to include a large volume of shortterm financing for unpaid con-tractors, the SR 100m rule has been a major factor in the slowdown in the award of new

THE OPERATION of strict announced in June was brought rule, it is aimed at keeping a financial measures covering down from an ofiginal figure tight rein on Ministries, particu-projects in Saudi Arabia, which of SR 145bn to SR 130bn, larly such heavy spenders as has already caused considerable because it was thought that the Communications and Agriculproblems for overseas con- original deficit was too large, ture. Bankers further report

The arguments for stringency were given additional impetus At the same time the Finance, when sluggish oil demand in the development plan carried out Ministry instructed other Minist first three months of the finan-quickly "it is our duty to see tries not to spend more than cial year kept average produc-that costs are realistic." He 70 per cent of their original tion at over 50000 keys that costs are realistic." He work of consultants carethe work of consultants carethe work of consultants carethe stringency measures,

The stringency measures,

The stringency measures,

To per cent of measures allocation without referring the anticipated level. Meanthe while, the bankers said the
to per cent of measures are restriction, not growth rate for the non-oil
the stringency measures, a ceiling, designed to hold sector of the economy of 17 per spending down to near the cent in 1977-78 was considered otional 1977-78 level satisfactory while inflation of up Together with the SR 100m to 15 per cent animally was not

### No rise in canal tolls

BY ROGER-MATTHEWS IN CAIRO

SUEZ CANAL tolls are to re- be reviewed at some stage next

notional 1977-78 level

main unchanged until at least year when the first stage of 1980. This was stated by the widerling and modernising the chairman of the Suez Canal canal had been completed. He Authority, Mr. Mashhour added that net revenue from the canal had reached \$520m view published here and aimed last year and would probably at halting speculation that folls top \$580m in the current year. would be increased in line with This increase, however, would the latest crude oil price rises. be due to more ships passing Mr. Mashhour indicated, how through the canal rather than The budgeted expenditure ever, that tolls would probably to any rise in dues:

#### **SHIPPING**REPORT

### New optimism on tanker market

WORLD OIL tanker markets of the tanker surplus by can be expected to show a neglecting the possibility that general improvement this year many ships now laid up will and next, leading to a removal prove too expensive to reeccording to a leading analyst. Mr. A. Gordon Bayley, formerly tanker consultant to the ships at well below their maxi-UN, says in his annual review of world tanker prospects that prospects are looking brighter casts that the overall surplus for all but very large crude carriers over 175,000 dwt.

activate and that shipowners may continue to find it more economical to operate their mum speed to save fuel.

By mid-1979, Mr. Bayley fore-

in the fleet will be reduced to 68m dwt, falling to 23m dwt. riers over 175,000 dwt. to 68m dwt, falling to 23m dwt. He argues that some fore by mid-1981 and producing an casters are overstating the size actual deficit by 1982. However,

be a surplus of ULCCs. These projections do not take be built in the period analysed, but Mr. Bayley suggests that the ordering of new tankers will be cautious and confined to the smaller size ranges, where shortages are expected. World Tanker Prospects, 1979-82. Timey and Co., 385, Sefton House, Exchange Buildings, Liverpool L2 3RT £60 UK, £63 operseas.

at this point there would still

### BL to boost EEC sales of Range and Land-Rovers BY KENNETH GOODING

THE LAND-ROVER subsidiary The group will particularly

output and as a result Euro- bution network covers rose by

expected to rise by 20 per cent. respectively in 1977.

of BL expects to raise substan- concentrate on supplying dieseltially European sales of Land engined Land-Rovers which Rovers and Range Rovers as the now account for about twofirst stage of its production thirds of the total sold in

Last year BL's sales of four This £30m project has had a wheel-drive vehicles in the 12 greater impact on Range Rover European countries its distri-

**World Economic Indicators** 

		INDUSTR	NAL PROD	LICTION		
	· :				% change er previo	
	Dec. 78	Nov. 78	Oct. 78	Dec. 777	year	year.
5,	<b>150.4</b>	749.5	148.5	139.6	+7.7	1967-1
	Nov. 78	Oct. 78	Sept. 78	Nov. '77		
ance	130.0	128.0	128.0	126.0	+1.6	1970=1
ily 'est	137.0	141.4	136.6	125.5	+9.2	1970=1
ermany	130.81	124.6	123.0	124.4	+5.1	1970=10
yan '	125.3	124.1	124.4	117.3	+6.8	1975=10
(	110.1	109.2	111.0	105.5	+4.4	1975=10
	Oct. 778	Sept. '78	Aug. 78	Oct. '77	• :	
lland	128.0	129.0	127.0	126.0	+1.6	1970=10
lgium	127.2	124.4	107.4	119.6	+64	1970=10
LEG	visional.			- ·		
					, .	

#### Ship aid for W. Germany introduced By Adrian Dicks in Bonn

THE WEST GERMAN government's new series of measures to help the hard-hit shipbuild-ing and shipping industries has now been set in place, and has been welcomed by spokesmen for the two sectors.

For the shippards, the new subsidies will take the form of pean sales of these vehicles 8 per cent on the 1977 level a payment out of public funds should jump by 25 to 30 per Some 4,100 Land-Rovers and of 10 per cent in 1979 and 1980; cent in 1979.

Sales of Land-Rovers are compared with 3,860 and 2,800 value of each new order for a high-technology, ocean-going vessel.

> This is the area of the industry in which the German yards themselves, as well as the Government, believe they have the best chances of long-term survival, once the industry recovers from its present worldwide slump.
>
> During the three years 1979-

1981, ship owners will receive interest-free loans worth 1,5 per cent of the book value of their vessels, which can be cancelled if new vessels are ordered. In addition, Federal guarantees of up to DM 500m will be available to help shipping lines.

with liquidity problems

**BRAZIL AND NIGERIA** 

### Developing giants forge new links

descendants bear Brazilian surnames. After long neglect the connection has been revived; Brigadier Yar'adua's visit had laid the ground for an estimated \$3bn in bilateral trade in the next five years or \$5bn if the value of oil deals

is included.

Until now Brazil's oil imports from Nigeria, the world's eighth ing \$1.26n in business in Iraq largest oil producer, have been in 1978, with contracts to build

substantial, eventually it will Iranian crude (\$700m in 1978), are now well under way for that the wish to establish a have to turn elsewhere to offset the loss of this source.

Second, Brazil's trade balance

with Nigeria is lopsided. Total imports from its largest African indicated that both sides are Brazilian diplomats, the future indicated that both sides are Brazilian diplomats, the future financial Times, pushed that trade partner were only \$25m enthusiastically committed to of Brazilian-Nigerian joint support Standar and children in the partner were only \$25m enthusiastically committed to of Brazilian-Nigerian joint support Standar and children in the partner were only \$25m enthusiastically committed to of Brazilian-Nigerian joint support Standar and children in the partner were only \$25m enthusiastically committed to of Brazilian-Nigerian joint support support standar and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. According to the future financial trade and private business level Nigerian soil. from January to September last equitable bilateral trade.

year, while exports were just official communique signed at Specific areas discussed.

BRAZIL AND Nigeria, the "The Nigerians want to sell the end of Brigadier Yar'adua's during Brigadier Yar'adua's rapidly growing giants of their us more oil, and we are content talks in Brasilia, stating "the visit covered farming and liverespective continents, have to buy more oil and natural two parties note the successful stock breeding, equipment for much to offer each other in rubber, to build up stocks," conclusion of meaningful talks meat freezing and packing terms of trade and the recent diplomatic sources said.

The standing and live that the successful stock breeding, equipment for conclusion of meaningful talks meat freezing and packing and express their conviction plants, engineering services for visit here by Nigeria's Vice
Brazil's trade surplus with that this will result in significant port improvements, hotel convisit here by Nigeria Vice
Brazil's trade surplus with that this will result in significant improvements, hotel con
President, Brigadier Shehu Nigeria contrasts strikingly with cant advantages for both struction, urban development, 
Yar'adua, has resulted in a new its Middle Eastern deficits (a 'parties," did not do justice railway building and mining.

Furthermore, ground, has been commitment on both sides. \$1.2bn trade gap with Saudi to the facts.

Links between the two Arabia alone). While, with About 25 countries started in the 19th Nigeria, there are similarities of tancy and see

negotiators, despite valiant technology transfers, and a The rapid rate at which efforts to learn how to deal with group of Brazilian-based tele. Brazil has fostered trade with Arab requirements and outlooks, have frequently suffered from marked disadvantages in their Brazilian operations of Italy's \$7m worth of goods there Phus attempts to persuade the Middle Italtel and Teletra) is hidding it has increased sales almost East to "buy Brazilian."

communications equipment Nigeria is proved by the fact manufacturers (including that, in 1973, it exported only

\$170m) of Brazil's exports to i s "conservative". Having Nigeria in January-September learned that lesson from a modest. In 1978, only 20,000 b/d hotels in Baghdad and a 550- Nigeria in January-September of average daily imports of over km stretch of railway, was 1878 consisted of manufactured 800,000 b/d came from Nigeria dampened by Iran's failure to goods—not least the output of of average daily imports of over 800,000 b/d came from Nigeria Two factors, according to Brazilian diplomatic sources, are altering this situation. First, the Iran crisis: Iran was Brazil's third largest supplier of crude, and while Brazil's stocks are alternated by Iran's failure to goods—not least the output of trade with the Middle East that goods—not least the output of trade with the Middle East that a group of Brazilian house, dwindled into resigned recognizing the Iran crisis: Iran was Brazil's the Iran crisis: Iran was Brazil's stocks are and while Brazil's stocks are substantial eventually it will are now in the Iranian crude (\$700m in 1978). Meanwhile, in the course of assembly of appliances in powerful Brazilian presence in Brigadier Yar'adua's visit to Nigeria and possibly, eventual. Africa is beginning to come Brazil, the talks held at Government from scratch on true.

to the facts. Furthermore, ground has been About 25 Brazilian consul laid for joint banking ventures countries started in the 19th century with the return to Africa large number of Afro-Brazilian liberated slaves, whose more rapid grasp of mutual descendants bear Brazilian problems or advantages, Brazil's formation of joint ventures and operations on their own. tancy and services companies between Brazilian and Nigerian

> East to "buy Brazilian." for the order to equip 30 times over in five years.
>
> The success of Brazilian civil Nigeria's modern telecommuni. Diplomatic sources even so construction companies in secur
> cations systems. that the estimated \$350 in two ni Diplomatic sources even say that the estimated \$350 in two-Around 85 per cent (or way trade in the next five years

المكزاء الأهما

By K. K. Sharma FRESH British grants to India totalling £145m are to be announced this week when Sir

ments of loans before 1975 when all British aid began to be extended as grants. Britain is the largest singlebilateral aid donor to India. Half the cash is for purchase of raw materials, components and spare parts and can be

The British aid commityear's £144m,

FT SURVEY OF CONSUMER CONFIDENCE

### Industrial unrest raises pessimism level to 41%

been sharply dented by the wave of industrial unrest, according to the latest FT sorvey of consumer confidence published today. The index of future confi-

dence." has falled to 27 per-cent—the lowest level since late 1976 when the sterling crisis also sapped confidence. The index shows that about 41 per cent of consumers surveyed expected conditions to worsen while only 14 per cent were optimistic. Last month the the index stood at -14 per cent.

Six months ago, consumers were equally divided over whether or not conditions would improve, but the trend has steadily been towards pessimism even before the latest sharp fall. The reason for pessimism

most often stated by consumers was the effect of trade union power and strike action. This was mentioned by 43 per cent the index of past prosperity — The survey also revealed a of the sample this month, combow consumers feel now compared with only 24 per cent in pared with 12 months ago — unemployment. The index rose becomber and just 7 per cent fell only slightly in January to by 2 per cent to 21 per cent.

reason for pessimism is down. The slight fall, however, does this is largely due to the overall not mask the fact that the significant increase in consumer nificant increase in consumer 2 more gloomy view.... The actual number citing

these reasons was no lower than last month, but it has been reduced in importance by the concern over trade union

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Among the relatively small group of consumers who remained optimistic for 1979, the reason most often given for this optimism was the general feeling that "things must im-prove," cited by just over half the optimists compared with almost four out of 10 in Decem-

The proportion of optimists feeling that inflation was under control dropped sharply while those who felt that higher pay rises would lead to overall greater prosperity dropped from 12 per cent in December to 2 per cent this month.

Optimism over the Government's handling of the economy also was down sharply. while the proportion mentioning a change of Government as a reason for optimism was at its highest slace the category was introduced into the survey

The decline in confidence is financing and still able to in-reflected among all age and crease dividends will be 20-30 social classifications although per cent lower than in recent the drop for ABC 1 women was years. not as large as for the other groups because their confidence was already at a low level able long-run assumptions, sugaccording to the December sur- gesting that the recent spate vey. In all the remaining social of rights issues is virtually com-

The younger age group clearers earned only an averdeclined by 6 per cent in confidence, while the 35-54 and over assets.

The banks should have earned to supply the per cent return to su

Regionally, Scotland and the North East had the largest fall generate enough for dividends in consumer confidence — with actually declared. The short-a drop of 22 percentage points fall was met by large amounts to - 23 per cent. But London and the South East formed the issues. least confident region --- a drop of 15 points bringing their in the banks' capital ratios. insurance for regional index to -30 per cent From now on bank spending about £900m. regional index to -30 per cent From now on bank spending while the most confident on fixed assets should grow region remained Wales and the less rapidly. Most recent spend-Additional at -21 per cent.

The time to buy big things for the house sector of the index is up by 14 percentage points to 20 per cent. However, the index was at an unusually less rapidly. Most recent spend-requirement is expected to ring was on such large property from £8.2bn in the current fina developments as new head cial year to £9bn in 1979-80.

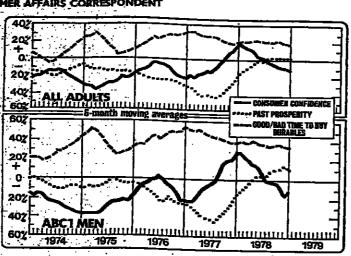
The time to buy by 14 percentage points to 20 per cent. However, the index was at an unusually less than the first large property from £8.2bn in the current fina developments as new head cial year to £9bn in 1979-80.

low level last month and giventhat this index usually reaches a very high level in January. the latest figure must be regarded as disappointing.

In five out of the last six years the time to buy index has reached its highest level for that

year in January and if this trend is repeated this year the demand for consumer durables

illustrates consumer concern the British Insurance Brokers' over the future of the economy. Association. Association. But ABC I men from the professional and executive Pensions Society that protections of a consumer using an exercise a greater crease in willingness to buy insurance intermediary had degree of control over their durables after a lower-than been much improved by the usual December figure. Work Passing of the Insurance prevent this "unwelcome" ing-class women, however, are Brokers' Registration Act, 1977. Government intervention.



by a considerable margin the off have been in the majority group least likely to buy at pre-

sumer confidence for the future, survey. Although the proportion of those mentioning the Government and rising prices as their ment and rising prices as their ment and rising prices as their contains and rising the first the significant prices.

longest period than at any other In spite of the depressed con- time in the nine years of the

fell only slightly in January to stand at 1 per cent. About 30 with 35 per cent believing unper cent of consumers felt employment will increase and only 14 per cent expecting it to

The survey was carried out not mask the fact that the significant increase in consumer Bureau for the Financial Times spending throughout 1978 has led to many people feeling better off. Those feeling better interviewed.

### Earnings rise forecast for clearing banks

least 20 per cent in 1978 and 30 per cent in 1979, and be more than enough to meet their capital requirements, say the stockbrokers Laing and Cruck-

The firm says in its annual review of clearing banks. "The sector is moving out of a period finance their capital requirements and when, despite over £400m of rights issues, capital ratios fell."

Laing and Cruickshank cal-culates that the minimum return on assets needed to make the clearing banks selffinancing and still able to in-

"These returns can be achieved easily on any reason-

subgroups, the proportion of plete."
subgroups, the proportion of plete."
pessimists increased by a In 1973-77 the banks' need tenth.
for capital grew rapidly because According to age groups, how of heavy spending on fixed ever, the under-35 has not assets, while rapid growth in suffered such a large fall in banking assets needed large future confidence as the over-35. additions to free capital. The

1.46 per cent return to supply. their capital needs and still fall was met by large amounts life assurance funds will of new equity raised as rights together have £8.60n available

EARNINGS of the big London offices, or building premises to clearing banks will rise by at meet decentralisation plans. meet decentralisation plans. Laing and Cruickshank forecasts slower growth in banking

> Minimum rate of return required to make the clearing banks self-financing is put at 15 to 25 per cent lower than in the last five years.
>
> Laing and Cruickshank con-

when profits were insufficient to cludes that on the lowest finance their capital require assumptions, results of home clearing bank operations will keep up with inflation for five

\* Clearing Banks, B. J. Lardner and C. J. Tyce. Laing and Cruickshank. Stock Exchange, London EC2N 1HA. Price £5.

### More finance for industry' this year

Financial Times Reporter

A GROWING amount of finance is likely to be available for industry this year, say the City stockbrokers Wood, Mackenzie, thus giving opportunity for funding more industrial invest-

In its monthly circular the firm says that the proportion of institutions' cash flow pre-empted by long-term Government debt should be slightly lower than 1978.

It estimates that pension and issues.

There was still deterioration for investment, compared with £7.4bn in 1978, while general insurance funds may have

The public-sector borrowing requirement is expected to rise from £8.2bn in the current finan-

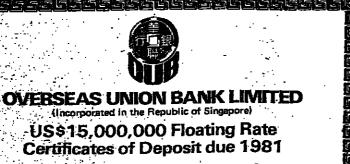
### **Insurance companies** warned on agents

FINANCIAL TIMES REPORTER

UNLESS insurance companies exercised greater control over sumers would ask what protectheir agents they faced the tion was provided if they dealt prospect of a full Government with an insurance agent rather licensing system of agents in the than a registered insurance is likely to be sharply down on licensing system of agents in the licensin

In such circumstances con-

He thought this would come within three or four years,



In accordance with the provisions of the Certificates of Deposit, notice is hereby given that for the six-month period from 12th January, 1979 to 12th July. 1979 the Certificates will carry an Interest Rate of 123/s per cent per annum.

By: Singapore Nomura Merchant Banking Limited Agent Bank 

### Run of snags shuts petrochemical plants

ACCIDENTS, technical faults worsened by an industrial disand industrial disputes have pute over retraining, shut down 10 European petro. The Spanish Enpetrol's shut down 10 European petro. The Spanish Enpetrol's chemical plants over the past ethylene cracker at Tarragona

Big groups say that the cone of an instrument fault. The sequent product shortages plant, which is expected to be should help them to raise out of action until the end of

the closures has been to tighten the market while all base chemical producers are suffer-ing from serious overcapacity. Production of ethylene, the so-called building block of the chemical industry, has been particularly restricted by the shut-

Imperial Chemical Industries ethylene plant at Wilton, Cleve-land, was closed because of a shortage of skilled instrument artificers. The shortage was

was haited last month because next month, has an annual They say that the effect of capacity of 375,000 tonnes.
the closures has been to tighten Shell Nederland Chemie's

ethylene cracker at Moerdijk, Holland, cut out and had to be taken out of commission briefly last month. Norsk Hydro's ethylene plant at Rafnes, Norway, was closed for several weeks after

a cracked gas compressor failed.

Shell Chemicals UK plant at Carrington was shut for altera-tins enabling it to crack gas oil as well at naphtha.

### Chemical companies face Third World competition

believe their markets will never developing countries are living in a "fool's paradise," an in-

Mr. Michael Hyde, publisher to much needed imports of of Chemical Insight, said that, crude oil.

even if only half the petrochemical plants planned by of new sources of production end of the century, the develop-ing nations would have more than doubled their share of world petrochemical production which stands at about 8 per cent. Mr. Hyde said he had identified more than 100 ethylene projects — ethylene is one of the so-called building blocks of the chemical industry — in 55 developing nations. His forecasts, based on the assumption that less than half these plants would materialise between now

and 1990, would give the developing nations a 26 per cent share of world ethylene capacity He told the association there would be strong pressure for readily and as che anti-dumping duties if the new have in the past."

CHEMICAL COMPANIES that producers tried to gain significant shares of traditional petrochemical markets on the basis of subsidised exports. But it would be harder to impose such dustry expert told the Commer- duties on some countries than cial Development Association at on others. It could prove parits meeting in Houston, Texas, ticularly difficult to restrict chemical imports that were tied

of new sources of production developing countries were built, will force a continuing re-they would "still adversely appraisal of production and affect world markets." By the marketing strategies. Myopic managers who refuse to see the need for change will preside over declining businesses," said Mr. Hyde.

There was no call for traditional producers—in North America. Western Europe and Japan-to abandon the commodity end of their operations. But they would have to act "to keep one or two steps aheadof the new producers." could be done only if established chemical majors made further advances in their technology. He warned that, in improving

existing processes, "manage-ments would be wise not to licence their new technology as readily and as cheaply as they

### Credit delays costing thousands in exports

BY CHRISTOPHER PARKES

Export Credits Department, according to a two days. leading farm machinery maker.

sometimes longer, for a reply years.
from the Department.

The seminar, which concentrated on finance services for

initial inquiry." Mr. J. H. Hall, head of the assistance for so Department's secretariat, said tural companies.

EXPORT ORDERS worth many that information was somethousands of pounds are being times difficult to obtain from lost to British industry because remote parts of the world, but of delays in the Government's the bulk of the 5,000 weekly Guarantee applications were answered in

He offered no hope for early Mr. Alvan Blanch, chairman resumption of export credit of Alvan Blanch Develop- cover for trade with Turkey, a ment told a British Agricultural market that has taken millions Export Council seminar that his of pounds of UK farm machcompany had waited six weeks, inery and equipment in recent

mechanism to get things moving small and medium-scale exquickly so that we can quote porters, was organised as a within seven to 10 days of the result of a recent Government report that criticised the lack of assistance for smaller agricul-

### **Financial Times plans** two conferences

LEADING SPEAKERS from industry and Government will take part in a two-day confer-ence called Tomorrow in World Electronics, organised by the Financial Times and to be held on March 21 and 22 at Grosvenor House, London

It will review important developments and assess their impact on industry, employment and the community.

open the debate on the technological revolution and society. Dr. I. M. Mackintosh, chairman of Mackintosh Consultants, will discuss the impact of electronics technology on employment. German and UK views on Governments and their role in the electronics industry will be them.

presented by Dr. Fritz-Rudolf Guentsch, of the Federal Ministry for Research and Technology, and Mr. Leslie Huckfield, Parliamentery Under-Secretary for Industry

The Financial Times, with the Trade Policy Research Group, is organising a two-day conference on Invisible Barriers to Invisible Trade on March 28 and 29 at the London Press Centre. Speakers will include Sir Mr. James Prior, Opposition Frank McFadzean, chairman of spokesman for employment, will the Trade Policy Research the Trade Policy Research Centre, and Mr. Ronald K.

Shelp, vice-president and direc American International Underwriters Corporation. The Trade Policy Research Group has been assessing such invisible barriers and has suggested means of overcoming

### Five new exhibitions for Harrogate

By Anthony Moreton, Regional Affairs Editor

FIVE NEW exhibitions will be exhibition space is that there is the town to a record level. This year's newcomers range taken from "fashion fabrics" to Eve. "mining, electrical and mechanical engineers." The record total for conferences was set in

1974 when 459 were held. Mr. Tony Miles, director of resort services said: ".1979 will be our most successful year and this indicates the increasing demand for larger and more modern facilities.

ning and developing the new conference centre."

One result of the increase in exhausted and from a loan by demand for conference and a member.

held in Harrogate this year, virtually none available this taking the number of exhibitions and conferences held in a very quiet month, has received taken space until Christmas

#### Aeronautical Society appeal

AIRLINES and the aircraft industry have been asked to help the Royal Aeronautical Society in an appeal for cash to "Advance bookings, stretching into the late 1980s confirm for a new lease on 4 Hamilton the council's foresight in plan-The £800,000 has been paid from a fund which is now

### MPs seek expert opinion on public spending cuts

IN ALL-PARTY committee of papers MPs hopes to enlist the help of a wide range of academic and City economists in its examina-tion of the Government's public spending plans.

The inquiry is being carried out by the general sub-committee of the Commons Expenditure Committee, chaired by Mr. Michael English, Labour MP for Nottingham West. Nottingham West.

It will involve a number of public hearings near the end of the month when senior Treasury officials—and possibly also Mr. Joel Barnett, the Chief Secretary to the Treasury—will be questioned about the econ-omic background and detailed plans in the expenditure White Paper publisher last Wednesday. In preparation, the sub-committee has written to more than a dozen economists and other interested parties saying that

their comments would be

This follows similar exercises European Monetary System. However, unlike last year the

sub-committee is not publicly or is already being crowded out of formally requesting submissions financial markets by the public from outsiders, while welcoming sector, notably by Minimum

are likely to be of it, the plans and presentation are less controversial. However. This is partly because the members of the sub-committee examination of the new White will, no doubt, be keen to press Paper may be rather lower key the Treasury on the inflation than last year since, on the face prospects.

### Proposed expenditure **yolume 'inappropriate'**

private sector's likely need to cumstances, the public sector borrow more, according to ought definitely to cut its stockbrokers W. Greenwell and demand for funds." borrow more, according to stockbrokers W. Greenwell and

bulletin, published this mornwill rise because of lower profit margins, resulting from sterling's relative strength, the last year after the publication of the spending White Paper and during the debate on whether the UK should join the spending the UK should join the strikes and industrial disruption, and the planned extension of price controls.

However, "the private sector

THE PROPOSED volume of Lending Rate of 12½ per cent public expenditure is completely and the constraint of the corse nappropriate in view of the on bank lending. In these cir-

The brokers claim that "the reduction in public spending ing, the brokers argue that and debt interest) by 1.5 per private sector borrowing needs cent in 1976-77 and by 4.6 per cent in 1977-78 was an important from reason for the underlying improvement in the economy which began towards the end

of 1977.
"The fall in public expend-ture was largely reserved in 1978-79, which in turn is an important reason why the improvement in the economy

#### CONTRACTS AND TENDERS

### KOLAGHAT THERMAL POWER STATION EXTENSION PROJECT WEST BENGAL, INDIA

Pre-qualification of Suppliers for Turbine-Generator Plant.

olaghat Thermal Power Station of West Bengal State Electricity Board located in the district of Midnapur in West Bengal, India, and consisting of 3 units of 200 MW (nominal) is now planning for an expansion by another 3 units of 200 MW (nominal). The turbo-generator plant for this expansion project will be purchased by global

Suppliers interested in receiving inquiries for turbine-generator plant are invited to register for pre-qualification of the suppliers for Kolaghat Thermal Power Station Extension Project by providing the following information:

Description and capacity of manufacturing facilities. A Experience with manufacture and installation of similar type and size

Export project outside country of origin Experience in Asian country and tropical region

Details of experience shall cover

2 Turnkey project management

3 Erection and commissioning of equipment supplied. Best possible delivery, erection and commissioning schedule acceptable under penalty

4 Latest annual report and balance sheets

5 Availability of spares and service facilities in India To be considered for the aforesaid pre-qualifications, all of the above information must

be considered for the aforesaid pre-qualifications, all of the above information must be sent to the following addresses by the 10th of February, 1979:

A Mr. B. K. Banerjee, Additional Chief
Engineer (P and E), West Bengal
State Electricity Board, New Secretariat Building (7th Floor). 1, K.S.
Roy Road, Calcutta 700001, India.

One Copy

Three Copies All correspondence should be in English. Owner reserves the right to verify all statements and to disqualify any suppliers without assigning reasons therefore. Further correspondence from the suppliers, "not prequalified" for the planned project shall not be entertained. The following factors, among other points, will be considered evaluating subsequent quotations:

Installation cost, operating and maintenance cost, compliance with specifications, supplier's experience, delivery schedule, guarantee, inspection and expediting cost, terms of payment and spare parts. Equipment, materials and services covered under this package specification include—

Three (3) Nos. 200 MW (nominal) each condensing turbine-generator rated for continuous operation. The inlet steam conditions shall be 147 bar at 535 degrees C with single reheat at 535 degrees C. The generator will be 3 phase, 50 cys. 0.85 P.P. The scope of services shall include turbine-generator, condensate pump, air extraction plant, feed heating plant, boiler feed pumps, chemical feed pumps, piping, control, instruments, motor control centre, power and control cables and a steam bypass dumping to condenser for stable turbine-boiler operation on load

Responsibilities shall include supply, transportation to site, handling, erection, testing and commissioning of the plant.

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### PEOPLE'S REPUBLIC OF MOZAMBIQUE

TEA REHABILITATION PROJECT

1. The Government of the People's Republic of Mozembique will shortly emberk on a project for the rehabilitation of 17 state-owned tea factories in the Zambazia Province. in the Zambezia Province.

2. The objectives of the Project will be to improve the general conditions and performance of existing machinery, to increase the capacity of the newer factories and to improve the quality of tea production.

3. Project components and actions will include among others:

— procurement of factory machinery/equipment and spares;
— procurement of installation materials.

4. Firms interested in submitting proposals for supplying equipment and spars parts are requested to apply to the address below for prequelification. Only pre-qualified firms will be invited to submit detailed proposals for carrying out the assignment. 5. The closing date for receipt of pre-qualification documents is fixed on 15th February, 1979.

ADDRESS: THE BOARD OF DIRECTORS OF BANCO POPULAR DE DESENVOLVIMENTO P.O. BOX 767 MAPUTO PEOPLE'S REPUBLIC OF MOZAMBIQUE, E. AFRICA.

### CONTRACTS AND TENDERS

For further details contact: FRANCIS PHILLIPS

on 01-248 8000 Ext. 456

ANNOUNCEMENT FOR ADDITIONAL EQUIPMENT PURCHASES FOR THE EXPANSION OF THE INTEGRATED STEEL PLANT AT EREGLI, TURKEY

OF THE INTEGRATED STEEL PLANT AT EREGLI. TURKEY
Eregil Demir ve Celik Fab T.A.S. at Eregili. Turkey, has already started an expansion project aimed at increasing its liquid steel capacity to 2 million metric tons by 1981. Following additional facilities are to be purchased and installed using World Bank financing and under intermational competitive bidding procedures:

1. Additional emergency steam turbine drive system for existing 2 electric driven pumps (600 HP x 725 rpm).

2. Argon (95 nm3/h x 8 kg/cm2g) and nitrogen (500 nm3/x 8 kg/cm2g) recovery facilities utilising existing oxygen plant.

3. Coke oven gas desulfurization plant (300 m3/hr).

4. Animonia absorption and recovery unit for coke oven gas.

5. Twoway (Back Dozor) operating dozen to be used for bulk-carrier ship holds cleaning. Invitations to bid on the facilities listed above will be furnished only to those firms who have been previously qualified for the specific items to be purchased. Therefore, firms wishing to be so qualified should communicate in writing, in the English language, with:

FREGLI DEMIR VE CELIK FABRIKALARI T.A.S. Proje ve Tesis Genel Mudur Yardinciliqi KDZ EREGLI—TURKEY

Such communication must be received at the above address no lever their received 15, 1979. Information as to the requirements for prequalification of bidders will be forwarded to those responding to this advertisement.

AN ACCEPTANCE credit totalling £84m is being assembled by a group of Cily of London banks as part of the new scheme to finance the vehicle stocks of BL (British Leyland) dealers. .

It is one of the largest acceptance facilities — essentially a system of banking credit extended to a company for trade financing—to be floated in City money markets. The proceeds will be made available to a new organisation, Wholesale Vehicle Finance (WVF), which is scheduled to provide credit to BL dealers

from next month. N. M. Rothschild, the merchant bank, is syndicating the acceptance facility among the leading City banks.

While it has been known for some weeks that such a facility was being discussed, its size outstrips some initial expecta

It will be the centre-piece of WVF's financing operations, adding to the new company's own shareholders' funds and other bank credit lines. Once functioning, the arrangements could create more than £100m for financing finished BL

Although the final shape of emerged, the National Enterprise Board is expected to take a 75 per cent stake in the venture. Other interests are expected to include United Dominions Trust, the finance house, as well as the pension funds of some nationalised

The acceptance credit techfinancing, will provide a particularly flexible method of financing dealer car stocks, according to City bankers.

The credit will be activated by the sale by WVF of bills to the participating banks, which will be able to re-discount them in the money markets. As such, the bills should carry a rate of interest similar to other 90-day sterling bills.

The scale of the operation represents an innovation for the City. Rothschilds is understood to have closely studied the long-established American techniques for financing dealer car stocks, and adopted elements of U.S. methods best suited for British conditions.

### Tax deposit interest rates rise

INTEREST RATES for certificates of tax deposit have been raised from today. The certificates, operated by

the Inland Revenue, may be bought in advance for surrender in payment of all taxes except Pay As You Earn and tax deducted from payments to sub-

The interest rate increases from 12.5 to 13 per cent on new deposits accepted under the terms of the prospectus for certificates dated August 29 and applied in payment of tax. The rate on deposits with-

drawn for cash increases from 10 to 10.5 per cent. The bonus payable on deposits applied in payment of tax and held for more than six months remains at 1 per cent.

### Pensions rise 'should have been bigger'

By Eric Short

OLD-AGE pensioners are receiving less than they are entitled to, Mr. Hugh Faulkner, director of Help the Aged, says in a letter to Mr. David Ennals, Social Services Secretary.

He says that the last pensions revision, in November, should have given a single person £19.81 a week instead of £19.50 and a married couple £31.70 instead of £31.20.

The rise, 11.4 per cent, was based on an estimate of the movement in earnings between Novmber 1977 and November 1978. However, the actual move-ment in the earnings index for the period, published last Wed-

nesday, was 13.2 per cent. Mr. Stanley Orme, Pensions Minister, told the Commons on Wednesday that he was under no obligation to make good any deficiency in the forecast, but the Government would be taking the shortfall into account in its review in the spring.

### Security men continue strike

LIVERPOOL'S 80 security men who patrol parks and recreation grounds decided yesterday to continue striking over the suspension of three colleagues. They refused to work in St. John's Gardens in the city centre without more back-up

Leasing of Japan. support and pay. Gravediggers and crematorium workers in the city also on and interest charges of 8.25 per Spantax of Spain and Singapore cent a year over 10 years. Orient Airlines and one each to British strike today plan indefinite Leasing will buy the aircraft Airways and Maersk Air of stoppages from Wednesday. over pay and conditions.

### Value of building orders down £113m. in November

BY PAUL TAYLOR

November fell for the first time year earlier. in four months, according to provisional figures : published showed a 9 per cent rise on the by the Department of the June to August figures but Environment.

The department estimates ber to November, 1977. that the current price value of Public non-housing orders in

cent bigher than in the previous the corresponding period a three months and 9 per cent up year earlier. on the same quarter in 1977.

housing sector in the quarter showing a 7 per cent increase under review were 7 per cent on the previous quarter and a down on the previous three 35 per cent increase over the months and 7 per cent down on same quarter last year.

CONSTRUCTION ORDERS in the corresponding quarter a housing

Private were up 21 per cent on Septem-

all new orders won by contracthe September to November tors during November was period were up 13 per cent on 2738m against £851m in the June to August period but October. A year earlier orders down 1 per cent the same were valued at £669m. quarter in 1977. Private indus-In constant price terms, total trial building orders were down new orders for the September 7 per cent on the previous three to November period were 5 per months but up 10 per cent on

Private commercial orders New orders in the public orders were more buoyant,

### Irish Foreign Minister meets Mason this week

BY STEWART DALBY IN DUBLIN

the Irish Foreign Minister, is to visit London this week, prob-ably on Wednesday, for a meet-the Province's problems. ably on Wednesday, for a meeting with Mr. Roy Mason, the Mr. O'Kennedy's speech was Secretary of State for Northern the first major pronouncement ireland.

should take place from time to nique, long used in trade time and was at pains to point out that the visit is not specifically in direct response to however, the Dublin Governthe campaign of violence by the Provisional IRA in the UK and Northern Ireland.

> The two men last met in a soccer match in Dublin the Republic and debate on Northern Ireland. Two weeks ago he said the help Ulster.

Republic could not allow

cained substantially.

next month.

play and magazine advertising

rates by a third last week, and

plans to put up its classified rates by about 29 per cent from February 4. The Sunday Tele-

graph is now thinking of follow-

MR. MICHAEL O'KENNEDY, Province. He called on Britain to initiate a dialogue aimed at

Mr. O'Kennedy's speech was by a Dublin Minister for almost The Foreign Ministry in a year. In February, 1978, Mr. Dublin stressed that this is one Jack Lynch, the Prime Minister. of the regular meetings that the called on Britain to give some two countries agreed last year kind of date for withdrawal of its troops.

> As the violence seemed to lessen for most of last year, ment seemed to have left the issue in obevance. But with the upsurge of

violence. Dublin is again making October 1978 when almost by noises about some kind of accident both Ministers attended political movement in the Province. Mr. O'Kennedy said his main interest was seeing some Northern Ireland. They held kind of talks between Britain talks afterwards. However, and Ireland and the two tradi-since then, Mr. O'Kennedy has tions in the North getting under made an attempt to revive the way. He also said greater prosperity in the Republic could

It is thought likely that talks another year to go by without between Mr. Mason and Mr. some attempts at ending the O'Kennedy will concentrate on violent stalemate in the political problems.

### Car makers study: voluntary fuel curbs

By Kenneth Gooding, Motor Industry Correspondent

A VOLUNTARY scheme to reduce petrol consumption by ears substantially is being hammered out by the Society of Motor Manufacturers and Traders.

Members of the society, including importers, are heading toward agreement on the project, which it is hoped would save about 10 per cent in fuel usage by the mid-1980s. This could be achieved only if there were no significant changes in emission control standards.

It would impose considerable pressure on the industry and need many basic engineering changes, because the easy first steps toward petrol savings have already been taken. Since the oil crisis in 1973 there has been an average 10 per cent reduction in fuel used in European car

Work has gone on since work has gone on since early 1978, partly in a joint working party of society representatives and the De-partment of Energy. It has been agreed that a

mandatory scheme must be ruled out. The society has been asked for a voluntary statement on what could be In the U.S. there is a man-

datory scheme, but the European industry believes too many problems are involved in measuring fuel consump-"What the industry wants

to achieve is energy improve-ments that the motorist will notice, not just improvements in artificial test circumstances," said a society official at the weekend.

As with the American scheme, British manufacturers are likely to spread the reduction over their whole range of models in the UK. but not necessarily spread it evenly. A voluntary "target" would

have the advantage of giving

companies many options about how to save fuel, and would not restrict design policies.

Any scheme would have to involve a measure of agreement with the European Commission working party which has been discussing the same

## Some manufacturers defy pickets to get supplies

SOME MANUFACTURERS have started to show they are prepared to defy picketing lorry drivers to pick up vital supplies. The CBI said yesterday that it had received reports over the weekend from member companies in the East Midlands that they had started to force their way through picket lines and intended to continue such action this week.

One potato crisp manufacturer is bringing back its 1,000-strong workforce today, according to the CBI, after obtaining three days' supplies of cooking oil. There were reports from Felixsiewe docks that picket lines there had been defied by one unidentified manufacturer obtaining raw materials.

A GROUP of lorry drivers will meet in Manchester today to try to organise a return to work the basis of the Road Haulage Association's present 15 per cent offer.

The men are claiming that ease the position considerably. there is widespread support for their point among drivers in the region where a total of 28,000 people have so far been officially reported laid off because of the dispute.

If there is a good turnout at the meeting the men will march :: on the regional headquarters of In the region generally, it will

only become apparent whether the new TGWU code on picketing is being observed by the more militant drivers. With many factories closed Mr. for the weekend, picketing has the eased but there were few signs, the on Friday that the men were yet willing to give up their blockade of industry.

A mass meeting of lorry drivers in Hull will reconsider today the TGWU code of conduct which many companies, already being strangled by militant local strike committees,

fear will be rejected. There are now 85,000 workers aid off in the North, according to the latest CBI count of its members and the figure could. double by this weekend.

In Yorkshire and Humberside 35,000 workers have already been sent home and the figure could reach 70,000 this week.

#### WALES

MANY MANUFACTURERS in Wales will be closing their plants at the end of the week even though picketing is easing. All exports are held up at

docks, supplies of lime are seriously threatened because of rail strikes and manufacturers cannot get raw materials because of heavy picketing outside the region.

Pilkington closed two plants

at Pontypool and Wrexham-Papers gain from Times closure of storage space for sinished products. Dunlop's Aberdare plants will keep working for only another week if the picketing does not ease.

Mr. George Wright, the Transport Workers' Welsh secretary. claimed that up to 40 haulage new wage agreements. Only one major haulier was left holding out in North Wales. He expected many more to

break ranks from the Road Haulage Association in the next few days unless the Advisory Conciliation and Arbitration Service mediation in London produced a countrywide settle-

#### SOUTH-WEST

THE NUMBER of threatened lay-offs in the South-West is not clear. Haulage companies in Devon and Cornwall are still working normally, because the local RHA agreement does not expire until the end of the month.

#### More effects of the lorry drivers' strike

minimal.

In the rest of the region; a significant number of hauliers have apparently settled and are back on the road which could

### MIDLANDS

HOPES OF averting further large-scale lay-offs in the Midlands this week depend on the response of lorry drivers to the union instruction to end

secondary picketing.
Many companies, which were the Transport and General last week thinking of closing, Workers' Union. appear to be prepared to keep appear to be prepared to keep production going at least for a few more days in the hope supplies might start to move An act of faith," was how

Mr. Reg Parkes, chairman of West Midlands Region of Confederation of British Industry, described the position last night.

Brockhouse Engineering, at which Mr. Parkes is Managing Director, received deliveries of steel last Friday, for the first time for three weeks, but it remained to be seen whether that improvement could be maintained, Mr. Parkes said.

BL Cars, with its heavy dependence on the component suppliers and metal industries of the Midlands, plays a leading role in the pace of activity in the local economy. The com-pany has so far kept lay-offs to about 2.000, but warned last night that the position was being reviewed daily.

#### ULSTER.

THE 48-HOUR clampdown on the movement of essential goods by striking lorry drivers in Ulster appears to have had little ports was called after the death of a picket in Aberdeen last when it runs out of glass,

the pinch. More lay-offs are

week-but because it came at

the weekend disruption was

the number of lay-offs in indus-

As in other parts of Britain,

my, at about 18,000 has not increased to the level forecast But many companies are feeling expected this week at Courtaulds near Belfast British Enkalon, which em-

oys more than 2,000 people at Antrim will decide today whether to cut production because of the build-up of finished goods at the plant. Michelin has reduced tyre

production at its two factories because raw materials are not getting through. Tobacco products manufactured by Gallaher are stockpiling because export orders cannot be dispatched.

The two sides in the dispute may meet again this week after the informal talks which were arranged by conciliation officers from the Northern Ireland. Labour Relations Agency.

#### LONDON & SOUTH

ALTHOUGH picketing in London and the southern areas was patchy over the weekend many companies reported that supplies were not getting through Secondary picketing was still in evidence. Some owner-drivers and own

account vehicles with union cards are getting through picket lines at the docks at Southampton. Some cheese, meat and animal feedstuffs was moved over the weekend but no newsprint or containers were taken out.

James Burroughs which makes Beefeater Gin, said effect. Their blockade of the yesterday that production will have to be run down this week

### British Steel to lay off last of tinplate workers

THE LAST of the British Steel Corporation's 6,500 production workers at Ebbw Vale, Trostre and Velindre are to be laid off this morning, bringing steel industry layoffs to 25,000.

Lorry driver pickets operating round the clock have almost stopped deliveries of findlate in and out of the corporation's three works in South Wales, .....

Lifting secondary picketing has made moving timplate little easier. Members of the strike bound Road Haulage Association normally handle most deliveries to and from the works.

The three works are essential sources for Britain's canning industry and a long closure will have serious consequences for food and drink

manufacturers.

British Steel said that the union had promised to allow out timplate used for food

packaging provided that it was carried in lornies not used in the dispute. The corporation commented:

"Very few of our customers have their own transpor available for the collection of timplate." Metal Box, the main

customer for South Wales tinplate and leading manufacturer of cans for the food industry, has laid off 200. workers at its Northern Ireland "open topped" factory and 370 at its general line factory in Carlisle from today. A further 800 will be sent home by Wednesday from its Hull factory.

Metal Box employs 8,500 people at its 14 plants making "open topped" ware for the food and drinks industry and a further 7,100 people at its other factories. More people may be laid off next week if the shortage of tinplate

### Counting the cost for food and farms

By Christopher Parkes

have begun assessing the longterm impact on production and trade of the lorry drivers' strike. Aithough animal feed and human food ingredients have begun to move, there are still shortages of varying severity and thousands of workers are laid off.

There are fears, for example, that export orders field up by the hauliers pickets might be permanently lost.

Mr. Jim Main, chairman of Rowotree Mackinton's export division, said yesterday that exporters were being throttled. Some of the 3,500 jobs created by exports could be lost for good, he claimed.

Among exports blacked are Smarties for Austria and a shipment of Easter eggs for Japan.

Farming could continue to suffer in the longer term from

Farming could continue to suffer in the longer term from the longer term and production is already down shoul 20 to 25 per cent and young birds being prepared for the egg production line have suffered.

Because of uncertainties over feed supplies lamines have reduced their intake of chicks and young pigs for fattening. This could reduce supplies of meat and eggs fator in the year.

The Food Maintracturers

The Food Manufacturers' Federation is also concerned that some of the smaller companies in the industry might not reopen when the strike is

Margins in the food industry have been dangerously slim for the past three years and it is feared that the with might prove a killing blow for some of the more enfectied com-panies which have now been without some vital raw materials for almost a fortnight

#### Moving out

The Ministry of Agriculture reported yesterday that bagged salt, essential for small bakeries and many food makers, was at last moving out from ICL and a British Salt depots in Cheshire. Quantities were only small

yesterday but were emperted to increase hodey.

The huild up of blood and inedible offal at slaughter houses caused by the closure of most of the country's per food industry was also easing yesterday. Public health officers were supervising removal and disposal in lorries and tankers.

Supplies of citius fruit were were unlikely to recall ships already diverted from British ports to the Continent The Ministry reported that

picketing of food depots fac-tories and stores had eased at the weekend Parficularly noticeable was the relaxation of strictures on animal feed materials in North Humberside.

### Airport closed

NORWICH AIRPORT will not operate today because of the one-day stoppage by the National Union of Public Employees and the transport workers union. Over 500 pass sengers, mainly from Amsterdam, Scotland and the oil-fields, have had their flights cancelled.

### NEWS ANALYSIS—SULLOM VOE OIL TERMINAL

### Far from end of a costly story

BY KEVIN DONE, ENERGY CORRESPONDENT

to have completed the building 'the terminal. of a crude oil terminal and port that will be capable of handling towards the end of November, as much as 1.4m barrels of oil. Because many of the processing a day from the North Sea, facilities will not be ready for enough to meet two-thirds of the another two years or more, the films of oil on the sea, but they UK's oil consumption. On crude oil is still having to be were ineffective against the

tions to the terminal are planned which will take the cost beyond the £1bn mark; and as the development of more oil fields in the prolific East Shetland basin is approved, the oil companies will have to face the decision of increasing the capacity of the terminal to as much as 2m barrels a day.

The task of building the terminal has turned out to be was first proposed.

### Extra costs

in the early 1970s. By the end aside past differences to cele-ended up on the surrounding of 1981, the oil companies hope brate the official inauguration of shores. Dr. Tom Harris, the . The first crude came ashore

present estimates that project stabilised offshore. The natural thicker deposits will cost £813m. gas and natural gas liquids are In the me But that will be far from being separated from the oil at the end of a story which began the production platforms and in 1973 when Shell made a plan-either flared into the atmosphere ning application to build a or re-injected into the reservoir. modest £20m tanker terminal to . But all the parties can now receive oil from the Brent begin to see some small return Field. Already, further addit for their investment and effort, More than 1.5m tonnes of crude oil has been loaded out aboard more than 26 tankers. The participants can also begin to count some of the extra costs.

Three weeks ago-only a month after the first oil arrived —the terminal suffered its first big pollution accident when 1,150 tonnes of heavy bunker fuel oil spilled into the har-bour, eventually polluting a far bigger job than any of the several stretches of rocks and participants realised when it, beaches around Sullon Voe.

It was an issue that could not be ignored at the weekend. Mr. Robert Bruce, Lord Lieutenant Construction has been marked fidence of the Shetlanders that oy endless wrangling between the oil industry could operate struction manager at the termore than 30 oil companies in without causing a mess had minal said the \$813m project volved in exploiting the offshore been seriously damaged. Both for a 14m barrels of the council which is 1224

terminal manager, said that 700-800 tonnes of the oil had been removed from the shores Some chemical dispersants had been used on remaining thin

the meantime. restriction on the size of tankers using the terminal to 100,000 tonnes dwt would remain in force, at least until Easter. Repairs to the damaged jetty should be completed within a few months and Mr. Chris the costs will be bonne by the oil industry.

Dr. Harris said that about 500 tankers will visit the terminal this year and about 650 next year. Crude oil throughput by the end of this year should be up to 900,000 barrels a day. rising to 1.3m to 1.4m barrels a day at the end of 1980. The present throughput is \$20,000 barrels a day 50,000 barrels a day from the Ninian Field. 20,000 barrels a day from Heather, 100,000 barrels a day from Thistle and 150,000 from

THE COST of building the disagreements have hardly been of this particular kind of fibn, however. These include massive oil terminal at Sullom, surprising when so much was at bunker oil. four more 600,000 barrel crude. Voe in the Shetland Islands stake but, at the weekend, for a The booms, which at first oil storage tanks, taking the has risen inexorably since the few brief hours at least, the corralled some of the oil in the total to 16, two more crude oil first plans were tentatively laid various parties contrived to set harbour, failed, and much of it leading pumps and a fifth jetty in the early 1970s. By the end aside past differences to cele ended up on the surrounding for the exclusive loading of liquid petroleum gases.

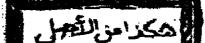
By the beginning of this year. £400m had been spent on the terminal. Labour costs are expected to account for 12.5 per cent of the final project costs:

#### More equipment

In May, the fill companies involved at Sullem Voe will hold their annual meeting to decide what quantities of oil They intend to put through the terminal in four years time. Since the last meeting, AP has decided to go ahead with the EL25bn development of the Magnes Field. Ennis, the council's wante ment of the Magnus Field, director, has made clear that all which will be produced through the Ninian pipeline system into Sullom Voe.

Other fields to the east of the Shetlands such as North West Hutton and Hutton are also expected to go shead in the next year, which could persuade the companies to upgrade the facilities of the terminal to handle up to 2m barrels a day of crude oil the limit of the two pipelines. This would mean building one or two more crude stabilisation process units and other equipment costing as much as £200m; said Mr.

Ferguson: Ultimately, the terminal has been planned to have a capacity for taking an barrels a day of fields and the Shetland Islands the oil companies and the countries and the countrie



FLEET STREET "quality" The Observer says that the The Guardian said that day, have benefited from the of the pressure on advertising closure of Times Newspapers space in the newspaper. It could over the past 50 days. Some have print 72:80 page papers, but the newsprint shortage is limiting it The Observer put up its dis- to 48 pages. The paper admits that it has

that the extra costs of printing three main sections instead of two, had to be covered, The Observer's circulation is sented a 60 per cent rise over.

had complaints from adver-

tisers, but most understand

This compares with a circulation of 700,000-750,000 in the Observer, and about 850,000 ported a rise of 70,000 copies in the past month-about 5 per last year for the Sunday Telecent increase. It has no plans

The Daily Telegraph has re-

now claimed to be around 1.1m, the same period last year, and while the Sunday Telegraph says thus advertisers were "getting it will be at the 1.2m mark a better deal" from the new

being printed. difficulties because the Daily Mail presses it was now using were slower than those at Times where Guardian is normally printed.

cided with a promotions drive, when it would expect to put on copies anyway. The Financial Times, which

also had a promotions campaign over the period of Times News-papers' closure — said that it "benefited only slightly." Although it had not planned to put on more copies, it was doing so to meet extra demand from newsagents.

to raise its advertising rates.

### United Biscuits to raise prices

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission is to consumers buying power on the to 10p. This increase had been

to go ahead with an investiga- mission discretionary powers. tion into the background to the

of UK defence equipment and the changing strategic situation

in South-East Asia are expected

to be on the agenda this week when Mr. Jim Killen, Australian

Defence Minister, visits Britain

for talks with Mr. Fred Mulley,

Although Australia has ostensibly ruled out any im-

mediate purchase of the

Secretary for Defence.

include a study of the effects of implement a 1p cover price rise

Mulley may discuss arms

with Australian Minister

POSSIBLE Australian purchases there, and there is continued

Tornado multi-role combat air- of major interest to the two

craft, the UK has not given up Ministers, in the light of the hope of selling the aircraft Vietnamese-Cambodian fighting.

UK leases Japan DC-10

British Caledonian Airways donian next month as part of

The deal includes the \$39m leased out six wide-body jets

purchase cost of the aircraft under the scheme: two each to

signed a \$58m contract to lease the Japanese Government's pro-a U.S. McDonnell Douglas DC-10 gramme to trim its country's

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

tri-jet for 10 years from Orient trade surplus.

and deliver it to British Cale Denmark.

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

by just under 4 per cent. sures.
But the Commission also The 3.96 per cent price rise announced that it still planned was allowed under Price Com-

Australian interest in UK war-

ships, such as frigates and

guided missiles.

As a result Mr. Killen is expected to meet officials of

both British Shipbuilders and

British Aerospace during his

in South-East Asia and the South Pacific is also likely to be

The overall defence situation

Japanese companies have

risps, nuts, and savoury snacks company's productivity mea- by the Commission's decision to The Commission has also although it is still continuing price rises. It should be com- made use of the same powers to its investigation, due to be com-

pleted by late April, and will allow the Daily Telegraph to pleted by the middle of next

velop Peterborough as an inland port, according to a report from the British Waterways The city is about 20 miles

The report says that the project is feasible on engineering grounds, but an acceptable commercial rate of return on the

all of the money for such a scheme would have to be provided by central government. There will be benefits such as extra jobs, improved transport services, improved flood protection and scope for more recreation, and these will need to be taken into account in assessing

#### Peterborough port scheme costed at £45m IT WOULD cost £45m to de-

inland on the River Nene, but the possibility of attracting seaborne trade has been investigated in the light of the Government's overspill programme which will boost the population

the overall viability." Seven local and authorities have been invited to give their views to the Depart-

الكامز القبل

"very much," but would not say how many extra copies were

Newspapers. The paper added that the closure of The Times had coin-

allow United Biscuits to put up company's price structure as sought by the newspaper last prices for a range of biscuits, well as the effectiveness of the November but had been frozen investigate the rise. Following representations from the newspaper, the Commission has allowed the rise to go ahead

to 160,000 by 1985. large investment involved could not be found. It adds: "Most and perhaps

ment of the Environment.

### Engineering union accused of bending the rules

nnion's rules
After several years of grustrated attempts to develop

the AUEWs four federal sections into a fully merged union, the executive of the dominant engineering section is recalling its national committee The committee will be asked

-for construction workers

is Communist-led while the engineering section is now engineering section is now firmly under Right wing control. Another difficulty is the parallel discussions being held by the engineering section with the Electrical and Flumbing Trades Union on a possible

Under the existing proposals amalgamation, the four sections would retain their separate identity. But in a letter to Mr. to clear the way for a full John Boyd, engineering general transfer of one of the sections secretary, the TASS executive for foundry workers—into the says "widespread fears" have transfer the foundry section engineering section by using been aroused among TASS into the engineering section the Trade Union Amalgamations members by the belief that the was taking place because "we members by the belief that the TASS and the fourth section EPTU was demanding the

the price of amalgamation. The real issue says the TASS executive letter was the role of executive letter was the role of common rulebook and structure white-collar workers and the

need to respect the separate identity of industrial or occupational. groupings. present stage of technical and social development, it was identities which reflected industrial reality and the existing AUEW provided a framework which could attract

"The AUEW is failing to for completing the AUEW attract other unions because of disagreements in its ranks and not because of any intrinsic

Mr. Boyd said the attempt to was taking place because "we have to make progress where we can." If the transfer went ahead, the foundry section

### Computer staff ballots on action which could delay Access bills

Employees, working at the Joint Credit Card Company, which processes Access transactions, are threatening industrial action in a pay parity

More than 900 are involved, They want increases of up to 25 per cent to bring them level with Midland Bank employees doing similar work.

The union said that industrial action, on which a ballot is BUS CREWS in being held, might cause delays Access card.

is paid to union members. We maintain that if there is a of the low salaries paid."

COMPUTER STAFF belonging this month on the claim for a to the National Union of Bank new salary structure. The company has its main computer complex at Southend three of the big four clearing

#### **Manchester** bus crews stop work

to bills for purchases made by one-day stoppage today. A total of 7,000 men are resuming the programme of disruption employ computer contract staff which has now been running at salary rates in excess of what since early December in support, of a pay claim. Other services will be seriously affected by shortage of staff it is because the public service workers' day of action, and Manchester air-The Central Arbitration Comport is likely to be brought to

### Law cannot stop trade unions abusing power-Lord Denning

LORD DENNING, Master of the Rolls, declares that the law-can over, any intervention by the law in trade disputes would provoke such resentment that it would only make matters worse. While the common law has done much to stop powerful groups of employers abusing power, it has exempted the trade unions. "Parliament has

granted them immunity," he adds.

was not for the judges to cavil radical decisions, at this, nor to criticise it. "The strict of at this, nor to criticise it.

"Parliament must think—
and no doubt with reason—
that the law should have noth—
that the law ing to do with trade disputes. They are to be solved by the

good sense of the parties and not by the judges." He also criticises the law lords of the House of Lords which he gestions of impen left in 1962 to return to the ment are incorrect.

In a book, The Discipline of courts as Master of the Rolls the Law, being published to and presiding judge of the mark his 80th birthday tomor-Court of Appeal. The Lords row, Lord Denning says that it have sometimes overturned his

still abuse their powers without restraint."

Lord Denning will spend his 80th birthday in court — and has made it known that any suggestions of impending retire-

### Staff cuts at Belfast Ropework

BY OUR BELFAST CORRESPONDENT

force by about a fifth because competition from abroad is hitting sales of some of its staff and management.

THE BELFAST Ropework Com- sidiary of the Ulster group unprofitable items in its propany is to cut back its labour McCleery L'Ami, will pay off duct range. Various twines between 60 and 70 of its 330 are under severe pressure from workforce, including production cheaper European products, workers, administration, sales mainly because of the lower The company is to drop some turers of raw materials.

4 985 7 000

### **Group Gold Mining Companies**

### **Orange Free State**

			Rep	orts of	f the	e di	rec	tors	s fo	r th	ne q	uarter ended 3	1st D	ecemi	oer, 1	978					
FREE STATE GE	DULD			PRESIDENT	T STĘYI	V (Cor	ntinuea	<i>)</i>				PRESIDENT BRA	AND			FREE STAT	E SAA	IPLAAS	(Con	tinued)	į
Free State Geduld Mines Limited		A 10 A 14		Quarter ended December 1978					4 567	0.29	13.54	President Brand Gold Mining Comp				Deduct: Appropriation as					
SSUED CAPITAL: 10 440 000 Shares of 5	a cents each			Quarter ended	. / 404	4 4 2 2	40.4	34.03	.1 007		13.42	Fresident pranti dold withing Comp	Jaily Lillined			Capital exte	nditure (2	efter tak	ing		
	Quarter ended	ended	ended	September 1978 Year ended	7 305	1 122	34.5	45.45	1 602	0.39	12.50	ISSUED CAPITAL: 14 040 000 units of st	tock of 50 cents	each		account of o	e	MUTES	• • • • • • • • • • • • • • • • • • • •		
PERATING RESULTS	Dec. 1978	Sept. 1978	Sept. 1978	September 1978 Leader reet		4 164	34.4	41.10	1 414	0.36			Quarter	Quarter	Year	Retained proût	or the yea	er			
Area mined—centares 000's	Gold 155	167	642	No. 1	308 326 55	252 224 50	157.5 120.2 72.6	5.10 5.92 4.72	804 712 343	0.2 <del>9</del> 0.32 0.07	45.02 38.96 5.09		endêd Dec. 1978	ended Seot. 1978	ended Sept. 1978	Capital expendit	re:				
Fors milled 000's	773	639	3 370 12.78	Video lesse area	55	50	72.6	4.72	343	0.07	5.09	OPERATING RESULYS				—mine —Joint Meta		chame		4 748 31	
Red-Gt	12.25 9 461	11 167	43 055 139.09	Quarter ended December 1978		P7.5	****	E 40	721	0.29	38.64	GOLD Arez mined—centeres 000's	149	169	-621	SHAFT SINKIN	ingryican a	Circuit	• •	metres	
Cost—R/cs mined —R/ton miller	152.19 30.51	. 143.82 28.59	26.50 2.074	Quarter ended		324	122.0	3.40				Tons milled 000's	761	803	3 146	No. 3 shaft Advance				111.9	_'
Ritro oroduced	2 493	2 148	2.074	September 1978 Year ended	744	514	102.8	4.23	435	0.23	23.82	Yield—gt	9.62	9.42	9.53	Depth to date Station cutting .				2 195.4 659.1	2
PRICE RECEIVED ON SALES	6 116	5 496	5 369	September 1978	2 507	1 418	120.7	3.99	481	0.21	24.83	Production—kg. Cost—R/ca mined	7 324 140.69	7 567 130 <i>-</i> 67	29 989 127 <b>.</b> 35	DEVELOPMENT				-	
TINANCIAL RESULTS	219	197	192	No. 2	270	114	92.7	12.88	1 194	0.24	21.7B	-Riton milled	27.55	27.50	25.14	<b>5215-0</b> 1	Advance			San	npled
	R000 58 352	. R000	231 821	Quarter ended December 1978	270	114	92.7	12.88	1 194	0.24	21.78	-R/kg produced	2 862	2 918	2 637		Mence	metres	Channel	gol	id _
Gold Revenue	23 589	63 869 23 984	59 298	Quarter ended September 1978	314	134	84.4	8.82	744	0.26	22.00	PRICE RECEIVED ON SALES Gold-Riky	€ 043	5 369	5 387		•		width GM	g.'t	CM-9.
Profit	34 763	258 92	142 523	Year ended		574	78.2	6.07	467	0.15	11.63	—5.cc	216	192	193	Basal reef Ouarter ended					
toint Metallurgical Scheme profit (1986) _	(186) 1 475	647 1 502	4 221	September 1975 Area under triba	te to and	leveloped	by Presk	Jent Brand	(Not inc	luded abo	we)	FINANCIAL RESULTS	Rona	2000		December 1978	1 703	310	108.5	9.44	1 024
Net sundry lucome	· ·		. <del></del> '	Basal reef Quarter ended								Gold—Revenue	44 501	R000 42 120	R000 152 032	Quarter ended September 1978	2 085	374	85.3	9.55	815
Profit before trocation and State's share	36 052	42 034	146 764	December 1978 Quarter ended	489	52	13.0	266.15	3 460	7.00	25.90	—Costs	20 963	22 084	<b>79</b> 083	Year ended Soptamber 1978	7 180	1 256	97.0	8.31	806
provision for tracation and State's share,	14 560	21 430	- 65 229	September 1978	646	. 36	13.1	140.92	1 846	1.12	14.68	•		30.075		Leader reei					
は、ことでは、「粉」をはたいという。	· ·			Year ended September 1978	2 188	440	13.0	133.38	1 734	7.14	14.77	Troh: Johnt Metallurgical Scheme profit	23 538 2 379	20 036 1 979	82 949 6 317	Quarter ended December 1978	482	95	113.0	4.28	. 484
rost after taxation and State's shale,	21 492	- 20 604	78 335	The that dividen 1978 was declar	d of 50 ce	es per si	are in re	spect of t	the year o	nded Sept	tember 30	Net sundry income (expenditure)	(269)	128	(1 006)	Quarter ended September 1978	321	106	94.5	3.74	353
Deductr		· · <del>- · · ·</del>	, <del>7</del>	1978 was declar 3 1978 and was	ed on Octo	ter 19 19	75 payab	le to men	Upers Lear	stered on	MOAGILDEL	Profes hadron and the second state of				Year ended September 1978	1 000	456	21 4	4 02	401
Appropriation and transfer:	:			CAPITAL EXPEN	DITUKE				a Basamb	<b>- 31 197</b>	8 totalled	Profit before taxation and State's share of profit	25 648	22 143	88 260	" B " reef		455	01.4	7.55	40.
of consumer loans)	···.		40 430 4 667	Orders placed at R4 422 000 of w	hich R63 0	DO MST IN	Pisal) Colla	of the met	relianaice)	complex.	• • • • • • • • • • • • • • • • • • • •	Provision for taxation and State's share				Quarter ended December 1978	4	· 😐	_	_	_
oan levies—net			13 572 19 314	PRODUCTION							-comentat	of profit	9 658	6 066	34 440	Quarter ended September 1978		٠			_
				The problems with reduction in the offset during the grades. The of high-grade area	rate of roo	k hoisting	Continue	to affect	production 1 and 2	n. This i shafts, bu	was partly	Profit after taxation and State's snare	<del></del>		<del></del>	Year ended.			_		
telained profit for the year			· 552	Binger the bo	attion was	TäbLEASSE	d by an	UnderBros	and fire v	which occu	rred in a	of profit	15 990	16 077	53 820	September 1978	_	_	_	_	_
apital expenditure:	. 10 208	10 109	38 554 1 162						er grade.	The fire	has been					CAPITAL EXPEN					
Joint Metallurgical Scheme	1 330	1 905	6 061	extinguished and	the area is	being ref	aDilitated	Pe	er end on	behalf of	the board	Deduct: Appropriation and transfer:				Orders placed at R15 814 000 of	d outstand which R33	ing on ca	pital contr in cornect	acts as at	Decemi
HAFT SINKING			•			٠.		. 0	A ETH	EREDGE 1 YOUNG )	Directors	Capital expenditure (after taking account							··· · especti	. eic ille	iui yiu
lo 5 main shaft	metres 229.5	metrus 365.9	metres 768,5	January 19 1975					· G, S.	. JURG /		of Consumer loans:			26 998	URANIUM OXIC		-i			

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	<u> </u>		ISSUED CAPITAL: 12 250 000 shares of \$0	cents each.	•	
-		elum		Quarter ended	Quarter , ended Sept. 1978	Year ended Sept. 1978
•	kgit	-cm,kg/t	OPERATING .RESULTS	Dec. 1978	350F 1910	3400 1370
			Gold		•	,
	0.24	5.84	Area indicad—contares 000's	124	134	, 500
	0.80	9.67	Torst milied 000's	525	554	2 184 6.09
	0.35	11.73	Yield-aft	5.92	_6.00	13 303
	0.41	20.84	Yeld-oft Production-kg	3 106	3 326 104.51	102.91
	0.88	20.75	Chell—R/ca mined	111.43 26.32	. 25.28	23.56
	0.03	1.72	R/ton milled	26 <u>32</u>	4 210	3 868
		23.37	Riky produced	4440	7 -10	
	0.33	23.37	PRICE RECEIVED ON SALES	6 039	5 504	5 380
			Gold-R/kg	216	197	192
	0.42	13.58	FINANCIAL RESULTS			
	0.42	73.30	LINAMINAL MISORIS	RODO	ROOG	_R000
	A 4=	15.02	Gold Revenue	18 762	18 902	71 781
	. 0.43	15.02	COL METERNE	••••		
	0.47	16.19	—Costs	13 817	14 004	51 453
	4.47	10.19				
	.0.35	49.06	-Profit	4 545	4 898	20.328
•	0.56	6.73	toint Matalbroical Scheme (1988)	===	(32) 606	_ (2)
	4.06	6.73	Net sundry income	541	. 606	2 085
	0.30	39.29	Profit before textation and State's stare	S 486	· 5 474	22 411
•			of profit Provision for taxation and State's share	, 5	•	
	0.11	15.65	of profit	2 013	1 814	9 532
	9.12	21.24	Profit after textation and State's share			
			of profe	3 473	3 660	12 779
	0.03	5.41	or promise the second			<del></del>
	9.04	4.04	Daduct			
-			Announdation:			
			Custon automobileron Taller Taller			-3 582
	9.03	5.33	second of continue losts			3 062
		7.29	Dividend foterim			4 900
	0.04	7.29				<del></del>
	0.04	6.37				1 135
	4.04	0.27	Retained profit for the year			
			Capital expenditure		·	
				473	1 518	.3 <u>193</u>
	0.01	3.41	Joint Metallurgical Scheme	. 348	328	381 1 079
			Loan: levies—estimated	· 244	205	1 0/9
Ė	ended S	eptember	DEVELOPMENT	. Samt		
		tered on		. 32M)		
			Advance metres them	bice' - 'se		ranium
			Metter tueram cuelu			<del></del>
мС	amber 3	1 1978	• • •		em all kal	e cm.kak

Welkom Gold Mining Company Limited

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dest of con	somer loan	ter tak E)		•			-3 682 3 062 4 900	
— <u>196</u> 1 .			·••			•	1 135	
ed profit fo	g the year	• • • • • • • • • • • • • • • • • • • •	•••				1 135	
i expendito	re · ·			473	•	18	.3 193	
olat Meta	lurgical Sci imated	beme .	::	. 348 . 244	- 7	328 106	381 1 079	
LOPMENT					pled			
	Advance metres	100000	channel	- '90%	4	drapium		
	MESITO		width	94	cm.ext	kalt	cm-ke/s	
area .			-cm	9.4	CHINGE			
reer	254	10	. 24.2	- 15.99	387	0.36	8.80	
	1 122	216	3.5	89.41	760	1.09	9.30	
	697	116	9.1	68.02	619	0.96	8.72-	
er ended - ber 1978	2 573	342	9.2	75.30	702	0.99	9.09	
er ended ober 1978	2 818	510	13.5	59.11	933	0.82	11.01	
ended			-16.3	75.40		0.95	15.41	
nber 1978 eet	10 421	· 1 902	-16.3	75.40	1 229	0.55	, 13,71	
er ended iber 1978	. 12	42	183.6	1.95	358	0.02	451	
er ended '		. ~~						
mber 1972 ended -	93		<del></del>	_	_	_	. —	
nber 1978	472	240	.159.6	1.13	181	0.05	7.39	
	149 337	. 76 168	47.1 157.3	6.01 3.85	. 605	0.31 0.18	14.76 27 <b>.8</b> 4	
er ended		244		411	505	0.19	23.77	
iber 1978 ' er ended	444		123.0					
nber 1978 roded	479	236	109,1	3,63	396	0.19	21.14	
nber 1978 ediate resi	1 551	92Z	128.0	4.12	527	0.23	29.39	
r ended		126	-89.6	1.17	106	0.32	28.46	
ber 1978 ir ended	212							
aber 1978 Inded	181	60	186.5	1.19	221	0.31	57.58	
ober 1978	410	230	199.4	1.00	200	0.25	50.12	
nai dividen	d of 40 ce	nts per s	hare in re	spect of t	DE YEAR ED	ded Sept	mber 30	

ANGLO	AN	IERI	CAN	COF	POR	ATIC	N	
57 900 of which Stary 19 1979.	R391 GC	N MARIE			r and on	behalf of t	the board Directors	
final dividend (78 ans declared 978 and was pa PITAL EXPENDING and placed and	on Octob Id on De TURE outstand!	ber 19 1: comber 8 bit on -ca	778 payabi 1978, Pital contr	le to memi acts as at	December	ered on 1	November	
rrended tember 1978 NDENSS	410	230	199.4	1.00	200	0.25	50.12	
uter ended tember 1978	181	60	186.5	1.19	221	0.31	57.58	
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alk	wance in	eving been made	for adjustmen	results of sampling, in the necessary in estimation on another page	ng
	e trans s paper.	poot Group s	Lesirris chhai	r on anouser page	174
•		offices of th	e Transfer Se	le on request from t ecretaries	
Ch	arter Co	nsolidated Lin Park Street, A	nited P.O B	ox 102. Charter Hous	е, -
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Profit after taxa of profit	rion and :	Staté,2 eu		15 990	16	077	53 820
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of consumer L	CARSI						26 998
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YAID600-1045110	m	- · · • · · · ·					9 126
—fipal	•••••						
tetained profit :	for the yea	r	• • •				2 829
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oan Levies es	timated		•	1 115		687	3 940
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ONSOLIDATED onsolidated pro- lette's share of nd its subsidiar iold Mining C	ofit after to profit of to y. Free Statement LI	the compa ite Sealph mited—af	eny aas ter		٠.		
liowing for I	minority a	skareholde	KE"	15 864	17 :	70 =	61 038
EYELOPMENT	•••••	• • • • • • • • • • • • • • • • • • • •	•••	13 004	.,,	~3	91 036
	Advance				npled		
	metres	metres	channel width	90	<u></u>	urar	<del>dam</del> ,
haft area			CIR	9/3	cm.g/t	kg/c	em.kgré
asal recf							
0. 1,	321	14	20.6	256.80	5 290	1.40	28.84
0. 2	3 143	204	45.1	28.54	1 267	0.19	8.50
0. 3	807	.76	10.5	105.89	1 133	1.40	14.77
0. 4	3 763	328	142.0	15.36	2 181	0.06	8.08
uarter ended ecember 1978	8 034	622	91.4	20.01	1 829	0.10	9.50
verter ended eptember 1978	8 843	932	98.9	17.89	1 769	0.09	9.29
ear ended eptember 1978	32 180	3 694	83.3	25.92	2 159	0.11	9.43
eader reet							
0. 1	829 1 364	304	126.9	5.95	755	0.23	29.02
v. 3	1 384	464	117.7	5.32	626	9,27	31,54
uarter ended ecember 1978	2 193	768	121.3	5.58	677	o.25	30.54
varter ended optember 1976	2 194	508	138.9	5.00	694		-
ear ended eptember 1978	2 194 8 048	2 650	134.1	5.69	763	0.24	33.44
n addition, area nder tribute from resident Steyn asal reef marter coded		2 630	434.1	5.05	793	0.24	32.14
ecember 1978 uarter ended	489	52	13.0	266.15	3 460	2.00	25.90
eptember 1978 ear ended	646	.56	13.1	140.92	1 845	1.12	14.68
eptember 1978	2 188	440	13.0	133.36	1 734	7.14	14.77
IVIDENDS							
he final divider eptember 30 19 n November 3 1	nd of 85 178 was dec 1978 and w	cents per lared on as paid o	unit of October 1 Decemb	stock in 9 1978 p er 8 1978	respect of eyable to n	f the ye nembers r	ar ended egistered
APITAL EXPEN							
rders placed an 17 250 000 of	d outstand) which R12	ng on car 2 547 000	vital contr was in	acts as at respect o	December	31 1978 Wurgicai	totalied complex.
					r and pe b		
					A. ETHER		
					G. S. YO	UNG	Directors
inuary 19 1979							

FREE STATE SAAIPLAAS Free State Saaiplass Gold Mining Company Limited
SSUED CAPITAL: 28 100 000 shares of R1 each

ISSUED CAPITAL: 28 100 000 shares of R	11 each		•	:
OPERATING RESULTS	Quarter ended Dec. 1978	Quarter ended Sept. 1978	Year ended Sept. 1978	
Area mined—cantares 000's Tons milled 000's Yield—ext Production—kg Cost—Rica mined Riton milled Rikg produced	51 306 3.58 1 095 117.44 23.41 6 542	65 317 3.47 1 098 116.12 23.81 6 874	242 1 240 3.55 4 408 112.97 22.05 6 202	•
PRICE RECEIVED ON SALES Gold—Rikg	5 981 214	5 487 196	5 467 196	2
FINANCIAL RESULTS  Gold—Refenue —Costs —(Loss)  Joint Metallurgical Schame profit (loss)	8000 6 587 7 164 (577) (336)	7 548 (1 320) 3 097	R000 24 164 27 339 (3 175) 14 140	6
Profit (loss) before taxation and State's share of profit  Provision for taxation and State's share of or	(252)	2 614	14 420	( P
Prost (1055) after texation and State's share of profit	(252)	2 614	74 420	t

DEVELOPMENT				San	npled		
	Advance metres	metres	Channel	90	d	аган	nlum
. '	•		width	0.2	cm-9. t	kg.t	cm.kg,'t
Basal reef							
Quarter ended	1 703	310	108.5	9.44	1 024	0.41	44.15
December 1978 Ouarter ended	.1 /03	210	100-3	2	1 42-4		
September 1978	2 085	374	85.3	9.55	815	0.4D	34.47
Year ended Soptamber 1978	7 180	1 256	97.0	8.31	808	0.32	31.04
Leader reel	, 100		27.0			J	•
Quarter ended	482	. 96	113.0	4.28	. 424	0.19	21.43
December 1978 Duarter ended	402	39	173.0	4.10	404	0.13	21,40
September 1978	321	106	94.5	3.74	353	0.22	21.24
fear ended ieptember 1978	1 909	456	81.4	4.93	401	6.25	20.42
"B" reef	. 209	736	61.4	4.93	401	u. <b>2</b> 3	24.42
Quarter ended							
December 1978 Duarter ended	4	. —	_	_	_	_	_
September 1978	· · · —		_	_	_	_	
Year ended.							
ieptember 1978		_	_		_		_
CAPITAL EXPEN	DITIET						
There were no sa	ales of urar	ium exide	in the qu	Fo	or and on b		the board
				D	. A. ETHER G. S. Y		Directors
Jamuary 19 1979					· G. S. T	OUNG!	
<b>WEST</b>	FRN	HO	i Dir	i ce			
			LVI		ı		
Western Hold	ings Limit	ed				-	
1651155							
ISSUED CAPITA	L; 7 496 37	6 Shares o	of 50 cents	each			
				parter Inded	Quarte		Year ended
OPERATING RE	SILTE			L 1978	Sept. 19		ept, 1978
Gold	13				-		<del>-</del>
· <i>.</i>		-					
Area mined— Tons milled 000	centares 00	10's	••	156		70	656
Yield—grt. Production—kg			::	740 10.12	70.	20 81	3 113 10.64
Production—kg Cost—R/ca m				7 487	8 8	83	33 116
—Räton m	like 4			119.58 25.21	109.	4°	107.07 22.56
PRICE RECEIVED	oduced		::	2 492	20	4 <del>9</del> 176	22.56 2 121
PRICE RECEIVED	ON SALES	5	-				

_	LULE VECELABI	/UN SALE	5					
•	Gold—R,kg		<u> </u>	:::	6 056 217		481 196	5 363 192
	FINANCIAL RES Gold—Revenue —Costs	.::::::::	• • • • • • •	··· _	R000 45 533 18 655	50	000 538 442	R000 178 092 70 241
	Profit Joint Metallurgic Net Sundry Incom	al Scheme	(loss)	:: <u> </u>	26 878 (336) 1 543	32 (2	094 158) 621	107 851 (1 215) 6 517
	Profit before tax: of profit Provision for tax				28 085	33	 457	113 253
	of profit Profit after taxa	ation and :	STRIKE S SO.	are	16 342	21	499	68 <b>99</b> 0
	of protit	tion and :	starte's sh	are _	11 743	11	958	44 263
	Deduct: Appropriation em	d transfer:		_				
•	Appropriation em Capital expenditu of consumer le Loan lavies—net Dividend—interim	re (after ta cans)						6 001 4 498 14 243 16 867
	Retained profit fo							2 654
	Capital expend	fture			7 769	1	720	5 673
		urokal Sch	eme	::	1 374	-	3 820	354 5 841
	Loan levies estim	mateo	<i></i>	••				
		. Advance				npled	uran	
		metres	metres	channei width	gol			cm.kg/t
	Sheft area			CTT	git	cm.eX	kg/t	CHITEST
	Basal reef	1 572	82	19.8	244.70	4 845	1.03	20.39
	No 7	1 619 2 310 2 171	236 534	20.8 40.7	175.10 19.88	3 642 80 <del>9</del>	0.41 0.12	8.53 4.76
	No. 3 No. 4	2 171	106	8.3	268.55	2 229	2.83	23.57
	Quarter ended December 1978 Quarter ended	7 572	958	30.4		. ,2 010	0.30	9.11
	September 1978 Year ended	8 426	1 012	30.7	58.21	1 757	0.35	10.84
	September 1978 Leader reef	33 669	4 130	35.3	61.95	2 187	0.31	11.05
	No. 1	165 712	134 370	223.1 191.8	0.87 2.90	195 557	0.04 0.12	8,08 23,54 83,75 29,52
•	No. 3	111	40 70	94.7 206.7	11.67 3.12	1 105 644	0.88 0.14	83.75 29.52
	No. 4	163		200.7				
	December 1978	1 152	614	194.0	2.70	524	0.13	24.77
	September 1978	844	465	.166,1	4.41	732	0.18	29.39
	Year ended September 1978	2 679	1 198	184.9	3.62	670	0.14	26.65
	DIVIDENDS"						-	
	The final dividence 1978 was declared 3 1978 and was	d of 225 c ed on Octoi paid on De	ents per 1 ber 19 19 cember 8	ihare in s 978 payab 1978.	espect of i	the year en ibers regist	ded Sept ered on i	ember 30 November
	CAPITAL EXPEN							
	Orders placed an	d outstand	ing on ca	pital contr	SC(2 52 5)	December		
	R3 015 000.							
	R3 015 000.				, F	or and on I		
	R3 015 000.	-			. F	or and on I G. LAN G. S. Y	IGTON }	the bourd Directors

Orders placed and outstanding on capital R3 015 000.	d contracts as at	December 31	1978 to
K3 013 000,	, F	or and on beha	
		G. LANGTO	
January 19 1879.	•	G. S. YOUN	IG /
January 10 10/5			•
<del></del>			
JOINT METALLURGICAL	CULLIA		
BOIM! ME! ALLUNGICAL	SCHEMIE		
	Quarter	Ownter	•
	epded	encied	e
SUMMARY	Dec. 1978	Sept. 1978	Sept
(i) Flotation plant Shipt treated—tons	4 125 000	4 482 000	16 69
(4) Urantom plant		4 402 000	10.01
Slime treated tons	557 000	654 000	2 5
concentrate treated—tons	93 000 162 996	93 000 190 504	3° 56
frauen fribe binener va :-	102 339	120 304	21
GIN Acid plans			
(iii) Acid plant	71 318	65 417	27
acid produced—tons			
acid produced—tota	71 318 71 497 398	65 417 54 597 424	27

- 1, 5 - 1

link

18

192

4 219 1 788

**PRESIDENT STEYN** President Steyn Gold Mining Company Limited

ISSUED CAPITAL: 14 566 400 stores of 50 cents

1978 1026

. .71.7-

137.0 106.7

141-2

354 174.3

and its wholly-owned subsidiary, Video Mining Company Limited

2 759

3 323

487

78.16

95.76

16 713 7.9<u>27</u>

17 374

1 249

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1978 ROLLS-ROYCE PHANTOM VI 7-SEAT LIMOUSINE Finished in Chestnut with Tan Hide to front compartment and Beige Velvet to rear compartment. Fitted with fully equipped cocktall cabinet, stainless steel trim to all wheel arches and Rolls-Royce badges to rear quarters. 1,300 miles-

- 1978 BENTLEY T2 SALOON -Silver Chalice with Dark Blue Hide. 1,500 miles
- 1978 ROLLS-ROYCE SILVER WRAITH II without Div. Honey with Dark Brown Everflex Roof and Dark Brown Hide. 5,500 miles
- 1978 ROLLS-ROYCE SILVER SHADOW II SALOON Highland Green with Dark Green Everliex Roof and Beige Hide. 3,000 miles
- 1978 ROLLS-ROYCE SILVER SHADOW II SALOON Carnival Red with Black Hide and Red inserts and special interior trim. 7,000 miles
- 1977 ROLLS-ROYCE SILVER SHADOW II SALOON Le Mans Blue with Magnolia Hide. 16,000 miles
- 1976 ROLLS-ROYCE SILVER SHADOW SALOON
- 1976 ROLLS-ROYCE SILVER SHADOW SALOON
  Caribbsan Blue with Red Hide. 28,000 miles 1974 ROLLS-ROYCE CORNICHE CONVERTIBLE
- 1973 ROLLS-ROYCE SILVER SHADOW SALOON
- 1972 ROLLS-ROYCE SILVER SHADOW SALOON
  Astral Blue with Silver Mink side penals and
  Blue Hido. 3,600 miles

- 1978 ROLLS-ROYCE SILVER SHADOW II SALOON
- 1978 ROLLS-ROYCE SILVER SHADOW II SALOON
- Black with Special Tan Hide. 6,000 miles 1977 ROLLS-ROYCE SILVER SHADOW II SALOON
- Shall Grey with Red Hide. 12,000 miles 1976 ROLLS-ROYCE SILVER SHADOW SALOON
  Black with Black Everflex Roof and Black Hide.
  8,000 miles
- 1976 ROLLS-ROYCE CORNICHE SALOON Silver Mink with Dark Blue Everflex Roof and Dark Blue Hide. Fitted with Camarque air conditioning.
- 1975 ROLLS-ROYCE CORNICHE CONVERTIBLE Dark Olive with Beige Hood and Beige Hide. 23,000 miles
- 1974 ROLLS-ROYCE SILVER SHADOW SALOON Welnut with Tan Everflex Roof and Beige Hide. 46,000 miles
- 1973 ROLLS-ROYCE CORNICHE CONVERTIBLE
  Black with Black Hood and Red Hide.
  30,000 miles

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- and rear, recessed rear lights, stainless steel sills, R.R. motils, badge bar, 13,000 miles.
- 1978 Rolls-Royce Corniche Convertible Mk. II. Ivory, dark brown hide piped in magnolia, dark brown hood, front headrests, brown knee and dash roll, whitewell tyres, 1,800 miles.

  1977 (S) Rolls-Royce Corniche Convertible Mk. II. Ivory, champagne hide and dash roll, dark brown hood, front headrests, whitewall tyres, 10,000 miles.
- 1879 Silver Shadow II. Honey dark brown hide, piped in magnolia, front headrest, 300 miles ...... £39.960
- 1978(T) Silver Shadow II. Willow gold, beige hide, piped in brown with brown hide seat inserts; wash/white headlamps, whitewall tyres, 1,900 miles ......
- 1978 Silver Shadow II. Honey over chestnut, megnolia hide, piped in dark brown, front headrest, whitawall tyres, 1,400 miles

  1978 Silver Shadow II. Chestnut tan hide, tan Everflex roof, front headrests, cassette player, 800 miles

  1978 Silver Shadow II. White, blue hide piped in magnolia, electric sunroof with blue Everflex, 7,000 miles
  - £37,950
- 1977 (S) Silver Shadow II. Honey, brown hide piped in magnolie, tinted from screen, 5,000 miles ...... magnolie, tinted front screen, 5,000 miles

  1977 (S) Silver Shadow II. Onyx, beige, West of England cloth interior trim piped in dark brown, dark green, Everflex roof, 7,000 miles

  1977 (T) Silver Shadow II. Cardinal red, red hide, 7,000 1976 (7) Silver Shadow, LHD. Cardinal red, magnolia hide, 600 miles
- miles £25,500.
- miles 27,950

  1976 (R) Silver Shadow. Walnut, dark brown hide piped in magnolia, whitewall tyres; 10,000 miles 27,950

  1976 (R) Silver Shadow. Regency bronze, black hide, electric sunroof with black Everflex, 14,000 miles 27,950

  1976 Silver Shadow. Pezcock blue, tan hide, 11,000 miles 27,950

  1976 Silver Shadow. Le Mans blue, blue/gray hide, 21,000 miles

1975 Silver Shadow. Cardinal red, beige hids, 14,000 miles £24,950

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w Gold with Beigs hood and Beigs hide trim
in Dark Brown. Automatic air conditioning.
34,000 recorded miles. £39,950. 1979 (Jenuary) Silver Wraith II out division. Silver with Blue hide trim. 1979 (January) Silver Shadow II White with Dark Brown hide trim. 1978 (June) Bentley T.2 Oxford Bive with Megnolia hide trim. 3,100 recorded miles.

1978 (January) Silver Shadow II Caribbean Blue with Magnolia hide trim. Picnic tables and head rests. 17,000 recorded miles. 1977 (November) Silver Shedow II Regency Bronze with Magnolia hide trim piped in Dark Brown, Picnic tables, 15,000 recorded miles. 1977 (March) Silver Shadow II Regency Bronze with Black hide trim. 10,800 recorded miles.

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Street, London Tel. 01-499 8962 1977 June Rolls-Rayce Silver Shadow II Saloon. Caribbean Blue: Dark Blue leather. Speedometer 1978 Mar. Rolls-Royce Silver Shadow II Saloon. Silver Chalice, Blue Everflex roof, Surf. Blue

leather. Speedometer reading 3,500 miles. reading 19,000 miles.
1976 Aug. Rolls-Royce Silver Shadow. Silver Chalice, Dark Blue Everflex roof, Blue leather, Speedometer reading 23,500 miles. £26,450 1976 Aug. Rolls-Royce Silver Shadow Saloon Willow Gold, Black Everflex roof, Black leather. Speedometer reading 20,000 miles. £26,750 £26.450 1974 Mar. Rolls-Royce Silver Shadow Saloon. Silver Mink over Seychelles Blue, Dark Blue leather. Speedometer reading 38,000 miles. £18,950 1973 Sep. Rolls-Royce Silver Shadow Saloon. Garnet Black Everfier roof, Beige eather. Speedometer reading 35,500 miles. \$17,950.
1972 Feb. Bentley T Saloon. Silver Mink Dark.
Blue leather with Draylon facings. Speedometer

reading 65,000 miles: £14,950 1971 Aug. Rolls-Royce Silver Shadow. Garibbean Blue Black Everfier roof, Dark Blue leather Speedometer reading 62,000 miles £14,250 ★ POUS GUILDFORD

Woodbridge Road, Guildford, Surrey. Tel. 69231. Tk. 859255

£4.250

£4,495

£7,450

£7,795

£7,975

1977 Jan. Rolls-Royce Silver Shadow 4-door Saloon in Le Mans Blue with Black Everflex roof, Grey hide. 22,000 miles indicated. nice. 22,000 miles indicated. 528,258-1977 Nov. Rolls-Royce Silver Shadow II in Chest-nut with Tan hide. Maintained only by us. 16,400 Price on application

Lisburne Square, Torquay. Tel. (0803) 24321

1977 May Bolls Royce Silver Shadow Series II.
finished in Honey with Beige hide upholstery.
Brown Everflex roof, picuic tables. Speedometer reading 10,000 miles. All usual Rolls Royce extras. Price on application 1977 Oct. Rolls-Royce Silver Shadow Series II. Saloon finished in Champagne with Brown hide

uphoisters. Speedometer reading 4,000 miles.

Price on application Price on application
1976 Nov. Rolls-Royce Silver Shadow Saloon finished in Dark Olive over Willow Gold with Beige hide upholstery. Speedometer reading 22,000 1975 Mar. Rolls-Royce Silver Shadow Saloon finished in Moorland Green with Red hide uphol-stery. Speedometer reading 32,000 miles: £23,956 1969 Brutley T. Series Saloon finished in Shell Grey with Red hide upholstery. One owner from new. Speedometer reading 32,000 miles. Recently recellulosed. Magnificent.

For that special-car some special finance.

A comprehensive range of leasing packages is available from WADHAM STRINGER LEASING

#### Materiooville (07014) 61221 : Other Quality Cars

Lisburne Square, Torquay, Tel. (0893) 24321

1977 Nov. Asten Martin V8 Saloon finished in Milan Brown with Beige hide upholstery. Unique T registration number. One owner, Speedometer reading 14,000 miles.

CHICHESTER
Westhampnett Road, Chichester, Tel. 81331

11977 Jaguar #2 Coupe Automatic. Signal Red with Black vinyl roof and Black nylon trim. Tinted glass, chrome wheels, radio/cassette stereo. One owner. owner.

1976 Jaguar XJ6 4.2 Automatic Saloon. Dark Blue with Biscuit leather. Sanshine/vinyl roof, radio/cassette stereo.

1978 Rover 2600 Saloon. Fixted manual gearbox and power-assisted steering. Finished in Brazilia.
One owner. Speedometer reading under 7,000

miles. £5,495 1976 BMW 3.0 LA Automatic Saloon. Fitted sunroof, Finished in Metallic Grey. One owner. £5,950 ISLE OF WIGHT
Riverway, Newport J.C.W. Tel. Newport 3555

New Dalmier Sovereign 4.2. Finished in White with Russet trim. Auto transmission, tinted glassand electric aerial. New Jaguar 42. Finished in Moroccan Bronze with Biscuit trim. Auto transmission, electric aerial and door mirror. door mirror. List price-1976 Triumph 2500 'S' Estate. Finished in White. with Black trim. Sunroof, overdrive and radio.

1978 Rover 3500 5-speed. Finished in Yellow with Beige trim, Denovo tyres.

WOKING Goldsworth Road, Woking. Tel: 61444

New Unreg. Daimler Double-Six in Moroccan New Unreg. Daimter Double-Six in Moroccan Bronze with leather trim.

New Unreg. Rover 2300 5-speed in Platinum with Nutmeg trim.

List price 1977 Rover 3500 SD1 Automatic in Garmine £5,545. New Unreg. Triumph TR7, finished in Inca Vellow with sunroof and woolfrace alloy wheels. List price

SKELLYS (MERSEYSIDE) LTD
Linacre Lane, Boode, Merseyside, Tet 051-022-850f

New Mercury Monarch 4 door Sedan, Silver with
Blue cloth trim and Silver vinyl roof, Alloy road
wheels, automatic transmission, radio/stereo
cassette player, finted glass.

List price

WADHAM STRINGER

### MILCARS OF MILL HILL Lause your BMW the Citcers way. A selection of used BMWs

1978 633 CSI AUTOMATIC
Fjord Metallic Blue with blue kide:
"atterior," sir conditioning, redio/

FROM £108.14 PER WEEK
1977 533 CSI AUTOMATIC
Polaris Silver, black interior; sir
conditioning, alloy wheels,
FROM £95.24 PER WEEK 1978 MODE TEX AUTOMATIC
Reseds metallic green with green cloth interior, thread glass, central-tocking, electric windows, electric sunroot, radio/cessette, FROM £73.12 PER WEEK

1978 MODEL 733: AUTOMATIC Reseds metallic green with green cloth interior, manual suntoot, tinted glass, electric windows, central focking and alloy wheefs. FROM 588.49 PER WIEEK 1977 320 AUTOMATIC
Poletie metallic siver with blue
cott interior, tinted glass, radio/
cassette.
FROM 237.26 PER WEEK

1975 528 AUTOMATIC
Sienna metallic brown, cloth
interior, tinted glass, radio.
FROM 643.50 PER WEEK The above figures are gross and subject to all tax concessions and the above cars can also be purchased for cash. 16/18 Hale Lane, Mili Hill London, NW7 Tel: 01-959 6961

### ALFA ROMEO MONTREAL DEC. 1977. Among the last produced of this exciting model. Delivery. KM only. Never registered 210KM. DE TOMASO PANTERA GTS. Phees III '78. Special factory built. Jet black. Only 4,000 miles. MASERATI BORA 4.9 1977: Exciting appearance in dark blue metallic. Just 4,000 miles: Mint condition.

MTC CARS

Desiers for Massrati. De Tomaso and Aifa Romeo, offer the follow-selection of distinctive cars:

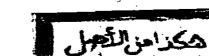
FERRARI DAYTONA 1973 Con-course condition. Possibly one of the finest examples available for sale. A true collector's piece.

company demonstrator. Driven by senior exec. Maserati red. Excellent savings. MASERATI KHAMSIN 1977. Light metallic blue. 6,800 miles gwned and driven by internationally femous personality. 178 WESTBOURNE GROVE,

MASERATI MERAK SS 1978. Our

LONDON WIT 2RT. Tel: 01-727 1656/8245

وكذامز القصل



#### COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP TRANSVAAL GOLD MINING COMPANIES FINAL DIVIDENDS—FINANCIAL YEARS ENDED DECEMBER 31 1978

Rate of dividend

69231.7½ By

FILE STATE OF

321 al or some

NG

ars

907 12 15 3. 77 127 5. 88

···--- 319

16.50

1212

LTD

1 ...

1 50

....

1317

Office of the Unite Charter Consolidate P.O. Box: 102. Charter House, Fark Street, Ashford Kent TN24 SEQ.

SOUTHVAAL HOLDINGS LIMITED

fincerporated in the Republic of South Africa)
DIVIDEND FOR YEAR ENDED DECEMBER 31 1978
January 18 1979 divided No. 5 of 57 cents a store, in respect
ded December 31 1978 (1977-21 cents), was declared in South
payable to members registered in the books of the company

transied proint for the year ended December 31 1978 is starting to the y 5 184 15 281 5 519 5.450

By order of the Board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

ALLMANNA SVENSKA ELECTRISKA AKTIEBOLAGET (ASEA) \$US 30,000,000 8½% Bonds 1986

Notice is hereby given to bondholders of the above loan that the amount redeemable on March 1, 1879, i.e. SUS 2,000,000, was bought in the market. Amount outstanding: \$US 22,000,000.

Trustee: The Law Debenture Corporation Limited, London, Principal Paying Agent: Kredietbank S.A. Luxembourgeoise Luxembourg Luxembourg, January 22, 1979.

CLYMPUS OFTICAL COMPANY LTD. sas Kogaku Kogyo Kai Kaisha S. G. Warberts & Co. Ltd., as Deposited the Herbert of GIVES NOTICE that the 110th Ordinary General Meet-log of Stockholders of the Colmany will be held in Tokyo, Japan on 30th January, 1979. The including proposals are included in the Notice of the Meeting.

(f) To approve the Report and Accounts for the 110th business term 11st November, 1977 10 34st October, 19761. Term 131. Robersons, 1977 to 3341 October, 1976).

Election of one director to fill vacancy, due to resignation of retiring director.

(5) Election of two Auditors.

(6) Genting of grability to retiring director of Bearer Depositary Receipts seishing to exercise their voting rights through the Depositary must complete a form of Proxy by hot, later than 25th January, 1979. Forms of Proxy are available at the pittes of the Depositary is London or law Soft-Depositary named in Persuant 527 of the Searer Depositary Receipts.

S. G. WARBURG & CO. LTD., as Decositary. 30. Grasham Street. London, ECOP 2EB. 22nd January. 1979.

CORRECTED NOTICES H.V. ENGELSCH-HOLLANDSCHE BELEGGINGS TRUST (ENGLISH AND DUTCH INVESTMENT TRUST) Participation Cartificates Royal Exchange Assurance)

NOTICE IS MEREBY GIVEN that the net exact velue (unaudited) of a participation cartificate as at 31st December, 1839, using the official rates of exchange, was pounds attering 18-33. By Order of the Board HOLLANDSE KOOPMANSBANK N.V

Sarphatistraat 14-A Amsterdam. 19th January 1979.

BANQUE NATIONALE DE PARIS

Floating Rate Note Issue of SUS70m., January, 1977/83 The rate of interest applicable for the six-month period beginning 21st January, 1979, and set by the reference agent is 12 fg % annually.

3/1% TREASURY LOAN 1999 BONDS TO BEARER 5/1% FUNDING LOAN 1982/84

The Bank of England give notice that new COUPON sheets for the above-mentioned Loans will be available on an after 15th March 1979 in exchange for TALONS. Listing forms for talons are obtainable from the Chief Accountable. Office (Bank Buildings). Bank of England 2. Bank Buildings). Bank of England 2. Bank Buildings. Prince Street, London, EC2R, BEU and talons should be presented there for exchange by Authorised Depositaries, on behalf of the holders, from the Shi March 1979. Talons should not be sent through the foot.

Authorised Depositaries are instead in the Bank of Englands of Notice EC1 and include most hanks, stockbrokers and solicitors practings in the United Clag-dom, the Channel Islamis or the Isla of Man.



PUBLIC NOTICES

TRAVEL

WE LEAD, OTHERS FOLLOW Flights to Canada, Copenhagen, South America, Middle East, Indie, Pakistan, Far East, North West, East Africa; Australia, Joburg and many other Worldwide destinations. Tel: 01.439 3396/734 2345/439 2326. UNITED AIR TRAVEL 5 Coventry Street, London, WI Air Agents

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DAYS, 10. Dover St., Londo ABTA ATOL 2138 SKI, ITALY, DOLOMITES, Good late savil.
Great value Ski Hols. 01-734 3094 (24 hours). Agts. ATOL 7028.
MARRELLA MAJORCA ALGARYE Top.
Holidays from £59 lacl. flights, hotels or appts. Scil-drive car. Edwards Topopolt. 01-908 4711 (24 hrs.).
Brochures, ASTA IATA ATOL 8768.

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PLORENCE—Learn Italian quickly and wall at the British Institute. Confeet March 6-April 13. March 6-March 30. April 17-Juny 8. April 17-Juny 8. April 17-May 25. April 17-May 17-May 25. April 17-May 10. Ako 4-week intensive Courses 20 Durst fution per week March 6 and April 17. Accommodation arranged with Italian familles. Apply British Institute. Lungarup Guisardini 9, 50125 Fiorence, Tel.: 284.031.



### **Group Gold Mining Companies**

### **Transvaal**

### Reports of the directors for the quarter ended 31st December, 1978

**VAALREEFS** 

Vaal Reefs Exploration and Mining Company Limited

7 822 000 8.62 67 438 R47,45 R28,68 R18,77 1 949 000 4 823 000 0<u>.22</u> 1 059 851 R48 219 000 R146 822 000 - 50 \$11 000 56 000 11 385 000 27 289 000 17 000 •6 130 000 208 774 000 37 189 000 14 209 000 11 624 000 R48 129 000 R35 882 000 R143 352 000 R94 016 000 R3 859 000 R19 000 000 R34 200 000 R53 200 000

CONSOLIDATED PROFIT

Quarter ended December 197 Quarter ended 52.35 0.91 0.89 52.84 2 720 1978 32 725 December 1978 1
'C' ree!
No. 8
Quarter ended
December 1978
Quarter ended
September ,1978 127.33 2 674 71.57 3.13 117.77 2 697 70.06 Vasi reef.

orolects being brought forward, notably the east uranium plant extension and the No. 9 shaft.

Orders placed and outstanding on capital contracts as at December 31 1978 totalled R12721-000.

UNDERGOUND FIRE

On December 1 1978 a fire occurred on 73 level at No. 8 shaft which regrettably led to the death of 41 miners. The area was sealed off and the fire has since burnt itself out. The effect on production has not been significant as replacement tomage has been obtained from other sources.

PRODUCTION

The Biver yield for the quarter was caused partly by generally lower values being encountered at No. 8 shaft. In addition a fire and selsmic activity which both occurred earlier in 1978 in the No. 2 shaft area, one of the highest grade sections of the mine, are continuing to affect production there, but operations are expected to return to normal shortly.

VAAL REEFS SOUTH LEASE AREA

OPERATING RESULTS	Que end Pec-	ed en	arter ded . 1978	Year ended Dec. 1978
GOLDS Tons: milled: Yield off Golds produced by Revenue per ton milled Cost per ton milled Profit oer ton milled Revenue	R1 R2 R2 R2 R3 445	8.72 6 025 52.74 R 9.59 R 3.15 R	28 000 10.16 7 392 158.40 126.76 131.64 17 000 R13	
Cost Profit  URANIUM OXIDE Tens Invested	R15 998	006 R23 03	15 000 R69 15 000	4 410 606 5 111 606 1 536 006
Yield—kgrt Oxide produced—kg FINANCIAL RESULTS Working profit—Gpld	R15 998	000 R23 03		335 190 311 000
Add: Net sundry revenue	22 903	000 24 53 000 1 23	1 000 7 8 000	1 874 000 6 985 000 2 684 000
Capital expenditure—new South ura	R1D 146	000 R7 39	2 000 R3	9 669 000 0 833 000 7 372 000
Total	R21 098	000 R14 63	z one RS	3 205 pot
arrangements with Buttersiontein DEVELOPMENT—SOUTH LEASE Advance	Gold Mining Co	Sampled	· .	
metres metre	s channel	gold	uras	ium ·
Vaal Reef Quarter ended	cm	gr) cm.48		68.46

11 668 91,1 32.43 2 954 67.56 0.74 1 032 12 522 0.80 65.16 81.4 36.99 3 011 46 953 3 968 22,9 117.77 2 697 3.13 71.57 53 40 Year ended December 1978 Arta ander tribut to and developed by Buffelsfontein Inst included in 119.16 2 693 3,10 70.06 110 Vasi reef
Quarter ended
December 1978
Quarter ended
September 1978
Quarter ended
September 1978
Year ended
December 1978 104.5 14.20 1 485 0.64 2 314 318 124.2 13.87 1 722 0.51 63.20 112.2 13.27 1 489 8 514 1 041

VAAL REEFS SOUTH LEASE AREA-Continued

SOUTHVAALHOLDINGS

The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ELANDSRAND

Elandsrand Gold Mining Company Limited ISSUED CAPITAL: 75 484 238 shares of 20 cents each

SHAFT SINKING Mos/Maierial Shaft 29.54 12.24 15 334 For and on behalf of the board

**EAST DAGGAFONTEIN** East Daggafortein Mines Limited

ISSUED CAPITAL: 3 730 000 shares of R1

R712 000 6 000 81 000 103 000 30 DOD 902 000 41.000 137 000 . . . . . . . . . . . . . . . . R45 000 R398 000 R933 000 Total ..... R933 000 \*Taxation over-provided

For and on behalf of the board D. A. ETHEREDGE ) Directors January 19 1979

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

1. ORE RESERVES

Ore reserves were estimated at July 31 1978 (in previous years at September 30) at a composite pay limit based on a gold price of R4 610 a kilogram (1977: R3 300) and taking account of a uranium price which reflects the prices that the companies will receive for their contracted sales in 1979. Also shown are ore reserve tonnages estimated at pay limits based on gold prices of R5 030 and R5 450 a kilogram to indicate the sensitivity of the ore reserves to gold price variations. For these exercises the uranium price was held constant,

DEVELOPMENT Development values represent actual results of sampling. no allowances having been made for adjustments necessary in estimating ore reserves.

PUBLICATION OF PLANNED PRODUCTION AND CAPITAL EXPENDITURE IN ANNUAL AND QUARTERLY REPORTS It has been decided that with effect from January 1 1979 forecasts of planned production and capital expenditure given in the annual reports will no longer also be published in the quarterly reports. However, significant changes to the forecasts will be referred to in the quarterly reports.

4. DIVIDENDS Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, January 18 1979, of final dividends for the year ended December 31 1978.

The Orange Free State Group's results appear on another page

Copies of these reports will be available on request from the offices of the Transfer Secretaries: Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, ECIP 1AJ

The South African Land & Exploration Company Limited

SSUED CAPITAL: 6 600 000 shares of 35 cents each FINANCIAL RESULTS 5 827 901 1 751 000 7 028 000 409 000 3 250 000 1 306 000 928 000 458 000

Orders placed and outstanding as at December 31 1978 totalled R175 000. ectors have declared a dividend of 25 cents a share in respect of the year ende er 37 1978, amounting to R1 650 000, and attention is drawn to the dividen

**WESTERN DEEP LEVELS** 

Western Deep Levels Limited ISSUED CAPITAL: 25 000 000 shares

OPERATING RESULTS URANIUM OXIDE 0.21 183 369 Profit before taxation and State's share Total .....

kg:t 22.2 80.63 46,5 87.51 40.7 707.91 4 392 1.45 59.06 18.32 308 56.4 1 033 2 5 1 1 1 254 10 258 1 072 55.B 22.47

Sept. 30 1977 ... DIVIDENDS

are as fullows:

Dividend No. 35 (Interim)

Declared July 20 1978 Jenus 18 1979

Per share 65 cants
Payable to shareholders registered August 4 1978
Payment date September 8 1978 March 9 1979 CAPITAL EXPENDITURE The difference of R5 068 000 between estimated and actual capital expenditure for the vetr ended December 31 1978 is mainly attributable to the acceleration of work on the uranium plant extension. Orders bilited and outstanding on capital contracts as at December 31 1978 totalled R11 498 000.

G. LANGTON | Directors

January 19 1979

ERGO

East Rand Gold and Uranium Company Limited ISSUED CAPITAL: 40 000 000 shares of 50 cents each

Financial year ending March 31 1979 OPERATING RESULTS OPERATING RESULTS

Sings treated—tons

Simply in pyrite—tons

Brankum oxide—kg

Suiphuric acid—tons

dleum—tops

gold—kg 4 033 000 11 694 000 33 619 47 923 80 460 6 780 1 135 FINANCIAL RESULTS R10 354 000 R11 313 000 R28 051 000 R4 145 000 504 000 R4 176 000 \$64 000 R3 612 000 R3 63 - 240 R8 438 000 Profit .... Capital expenditure

RT 087 000

RT 375 000

R8 085 003

Only a small proportion of the quarter's uranium oxide production was sold and consequently there was little increase in the operating profit compared with the previous quarter. However, a major sale of uranium oxide for delivery during the quarter ending March 1979 will take place and the profit for that quarter will show a substantial improvement.

There is no provision for taxation as the company has a computed tax loss. Net expenditure on mining assets since the inception of the company to December 31 1978 was R138 512 000 and orders placed and outstanding on capital contracts at that date totalled R1 814 000.

OPERATIONS
Progress has been made in overcoming engineering and operational problems which
so far have prevented attainment of gold and acid production targets.

For and on behalf of the board
D. A. ETHEREDGE Directors
M. S. McCRUM

**CLASSIFIED ADVERTISEMENT RATES** 

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The war that never ends We British are a peaceful people. When a war is over we like to consign it to the history books - and

over we like to consign a to forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children – for them their war lives on, every day and

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

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The Army Benevolent Fund for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

LOCAL AUTHORITY BOND TABLE

Annual Interest gross pay- Minimum of Authority (telephone number in interest able sum bond parentheses) Year Barnsley Metro. (0226 203232) 12 3-7 }-year Burnley (0282 25011) ...... 125 }-year 500 5-7 Knowsley (051 548 6555) ...... 12½ ½-year 1,000 6-10 Poule (02013 5151) ...... 112 4-year 500 2-3 Poole (02013 5151) ...... 124 1-year 500 5 Poole (02013 5151) ...... 12½ ½-year 500 6-7 Reading (0734 592337) ...... 14} maturity 1.000 6-7 Redbridge (01-478 3020) ...... 12 ½-year 200 4-5 Sefton (051 922 4040) ...... 12 4-year 2,000 3-7 Wrekin (0952 505051) ...... 12½ ½-year 1.000 5-10

## Building and Civil Engineering

### £10m venture in Ireland

Nielsen and Collen Brothers vessels of up to 70,000 tons Altogether some 500 piles of (Dublin) under a \$10m contract deadweight which will be used various diameters will be awarded by Alumina Contract to carry bauxite to the island driven, and 12,000 cubic metres

The two companies' joint ven-

stage in the construction of the stage in the construction of the workfer Aughinish Alumina. The
joint venture partnership will
be known as Christiani and Nielsen-Collen.

Also situated on the jetty
the island.
The total workforce on

Upon completion, this marine electrical substation and the terminal will be one of the 850 metre approachway (a prewill be formed of precast con- lines. crete deck supported by two A certain amount of dredging August.

and carry alumina from it. of Second berth will be used for

The jetty head will carry loader and unsupported in the contract marks the second mechanical loaders and unsupported in the construction of the loaders for transport of ore and Mobilisation of the working in the construction of the loaders for transport of ore and mobilisation of the working with helt conforce begins next month and it

THE CONSTRUCTION of the civil works for a marine terminal at Aughinish Island will berths.

Metre diameter vertical tubular will be necessary to provide two required depths of 14.3 metres and 12.2 metres for the outer be undertaken by Christiani and Outer berth will accommodate and inner berths respectively.

of concrete will be cast.

Construction of the civil the two companies joint venture covers the building of a smaller vessels carrying fuel oils and liquid caustic soda to metres wide. This will connect to the shore by a long approach way 850 metres long.

The two companies joint venture as smaller vessels carrying fuel oils and liquid caustic soda to end of 1980 and further contracts will be awarded for the supply and erection of the ore loader and unloader, conveyors

Aughinish will have reached 700 by the middle of this year, and largest ever undertaken in the Republic of Ireland. Jetty head steel box piles will carry a roading contract, which involves the rock, will be completed by next

### shopping THE GO-AHEAD for a £7m

**Inverness** 

project, the new Eastgate Shop-ping Centre in Inverness, has now been given by the Highland Regional Council Planning Com-mittee, and construction will begin in the spring of this year. Building of the development will be undertaken by Gilbert Ash, Scotland (a Bovis com-pany, part of P & O), and the developer is the Edinburgh-based Vivian Linacre. Hugh

Martin and Partners is the architect for the scheme. The company is no stranger to the area . . in the north of Scotland it has completed major projects in Aberdeen, Wick, Glenrothes, Dornoch, Thurso, and Golspie.

Its experience in Inverness includes the completion of Milburn School, a refurbishment in the Queensgate, a distillery at Knockando, and work on the Longman Industrial Estate.

**Darlington supermarket** 

North Wales, the north east and the home counties, and include work for industry, commerce, central and local government.

The largest job is valued at 25.5m, for a skill centre at an deflict for the Property Services Agency of the D.o.E. Work is starting immediately and the contract period is 17.

North Wales, to be completed in Julie Link year.

Other larger jobs include advance factories for the Welsh Development Agency at Shotton and Wrexham, in North Wales, and at Hendy in South Wales.

Apart from work on factories and offices throughout the UK, the total value of the contracts also includes alloy melting shop

### £11½m for R. M. Douglas RECENTLY AWARDED contracts to R. M. Douglas Construction total £11½m and cover more cover in the west Midlands, South Wales, the north west. North Wales, the north east and to be completed in June this

and the contract period is 17 the total value of the contracts months.

Also at £2.5m is a contract awarded by City Investments (Bridgend) for a shopping centre in Bridgend on which and TA centre for the north of work has started and is due to the total value of the contracts also includes alloy melting shop and scrap loading bay for BSC Stainless at Sheffield, telephone engineering centre at Crewe, centre in Bridgend on which and TA centre for the north of work has started and is due to

THE EAST STREET Shopping the two storeys above for 350

Northern Properties, now at the end of October and it owned by the Leeds-based de will be ready for trading by

velopment company, Michael- January, 1980.

Paul Management: The architect is Thompson

Paul Management:

The architect is Thompson
The scheme will provide a Spencer Partnership and con55,000 sq ft supermarket on the sulting engineer, Deakin Callard
ground floor with parking on and Partners.

other end of the building will be INSTABOND is a heavy-duty

a sports hall, a conditioning self-adhesive waterproofing mem-

and Son.

work.

Hat on a

which has a white mineral granular surface and a glass-fibre

core. This is also available in

300 mm wide pre-cut rolls as

angle flashing strip which is

A siliconised release paper

Instabond easily recovers from

that it is self-sealing around

steered, raised, lowered, swung

and extended with complete

precision by the men working

from the 30 x 60 inch (76cm x

The unit is fitted with plug-in

control panels as standard, incorporates facilities for a 350

degree boom rotation and has

three speeds forward plus

Hy-Ryder, Manlift House,

FOR CORPORATE PLANNERS

INTERNATIONAL SEMINAR ON CORPORATE PLANNING

CEI, Geneva, Switzerland,

June 18-29, 1979

sive approach to corporate planning in an international

- Strategic planning con-cepts which have been found successful by major

multinational companies.

Strategic planning issues

emanating from the envi-ronments of the enterprise.

Strategic planning tools and their applicability

Strategic planning respon-

ses to the issues identified

4. Chemin de Conches, CH-1231 Geneva, Switzerland 49 Tel.. (0221 47 1133 Telex : 27 452

Crabtree Manorway, Belvedere Kent, DA17 6AR, Erith 47721.

1.5m) platform itself.

061-865 4444

removed during application.

### London housing job

Laing gets

REFURBISHING of properties on a pre-war London housing estate will give close on 200 families greatly improved living conditions.

John Laing's southern region will carry out the task under a fl.lm contract from the London Borough of Southwark The two four-storey blocks involved are in Bermondsey and all 187 flats in them will have new gas and plumbing systems as well as complete rewiring. For the Anglian Water

Authority the company is building a £400,000 reinforced con-crete sewage pumping station at Stamford-le-Hope, Essex.

Development in Darlington is a cars. International Stores will £1.5m contract won by Higgs and Hill Northern. Work has started following the signing of an agreement between Darlington Borough Council and Star The store is to be handed over Northern Properties. The store is to be handed over the car park at the end of October and it For a total of £200,000 a 770,000 gallon-capacity reservoir is to be built for the Property Services Agency at the Royal Navy Armaments Depot, Coul-port, Dumbartonshire.

### A quay in Cornwall

NEW MOORING and landing facilities for fishing boats at Newlyn Harbour, Cornwall, are to be built under a £1m con-tract awarded by the Harbour and Co. of Ponsanooth and Newton Abbot, part of the Mowlem Group.

The work includes construcbrane developed by D. Anderson tion of an in situ reinforced concrete jetty and quay, 820 ft Intended for warm climates, long by 41 ft wide; the reclamait consists of a glass-fibre core tion of land at the back and thickly coated with a synthetic the provision of a lorry and rubber-reinforced bitumen. A car park.

polyester foil facing is laminated Due for completion in summer 1980, the development will Instabond can be used on improve the currently conprimed concrete, masonry etc., gested facilities at Newlyn,
for tanking, roof waterproofing,
as a damp-proof membrane in
solid floors and vertically or
horizontally for any related conmarket is a possible developstructional use. For exposed roof ment on the quay after it is finishes, there is a white grade completed.

### MARLEY Roof Tiles Total leadership through tile technology

### Beside the seaside

TERMINAL building at Brighton Marina for Jetlink Ferries will cost £200,000 under a contract awarded to Lesser Building Systems of Verwood

The two-storey building will utilise the company's Low Main-tenance PB4 Building System and will provide Jetlink with passenger, customs and immigration facilities for its Jetfoil service to Dieppe which is scheduled to commence next

### IN BRIEF

Contract for a new office building valued at £1.1m has gone to Walter Lawrence and Son who will carry out the work on the Perivale Industrial Estate, Greenford, for Danfoss (London). It is due for completion at the end of this year.

• R. Fox and Sons has won a contract to undertake high grade spray finishing at The Shell Centre, London SE1. The work will cover the main entrance and large side windows of the tower block facing the river.

• Three piling contracts, with a total value of about £180,000, have been awarded to West's Piling and Construction Company, of Colnbrook, Slough, part of the WGI engineering group. The piles are to be installed as foundations for a bus garage at Thamesmead, for a cold store extension at Kings Lynn and housing at Hartle pool

### £5 $\frac{1}{2}$ m. warehouse and offices

design and construction of on to one site all the publish- block will provide a working warehouses and offices for the ing activities of the Press in the environment specially designed publishing division of Cam- U.K, apart from a small London for editorial and publishing bridge University Press—total office. It will consist of two staff.
cost of the work is around warehouses of different heights A number of "pods" are to

world-wide, an extensive rang: The high warehouse, for tive landscaping features of academic and educational longer-term storage of up to books, learned journals, bibles, 15m books, will have an area of trees and the storage of trees are the storage of trees and the storage of trees are the stor prayer books and examination

The new compley will be named after the Duke of Edin-

Homes in

Sunderland

WORK WILL start in the next

few weeks on a new £2½m-plus

project to build about 150

houses for owner-occupation at

the Chapel Garth development

from the local authority, where

about £17.500.

at Sunderland, by Tyneside-based housebuilding group, Agriculture

it will build seven different types of homes at prices from development of almost 7,400

In the Albany Village area of crops, and another 25,000 acres

The company acquired the in logo site, in the Doxford Park area, in 1000

A single unitary structure,

cost of the work is around warehouses of different heights

£5.5m—has been awarded to for the bulk storage, packing and publishing and publishing and publishing and publishing staff. The six-acre site is adjacent to the University of the upper floors of the build-lishing staff. The six-acre site ing and give access to the land-process of the upper floors of the upper floors of the build-lishing staff. The six-acre site ing and give access to the land-process of the upper floors of the upper floors of the upper floors of the upper floors of the build-lishing staff. The six-acre site ing and give access to the land-process of the upper floors of the upper floo

13 metres. The lower singlestorey warehouse will be used burgh—accordingly, called the for short-term storage and have in two phases—warehouses this Edinburgh Building.

an area of 4.200 square metres. autumn and the office block in With an area of 5,927 square the summer of next year.

different types of owner-occupier

homes in the £16,500 to £20.000

range, one type of which is a new three-bedroomed semi-

introducing for the first time to

acres of land for irrigation and

the building will bring together metres, the four-storey office

and teaching activities of the modates the printing division of will consist of brickwork to a University by making available, the Press.

of 3.600 square metres, and ormanice. storage racking to a height of entrance.

Work has started on site and will be completed of 3.800 square metres, and ornamental pool near the main the project will be completed

roads and sewers for a develop- Universal Engineering and ment in excess of £1m. This Finance Corporation( affiliated will provide at least four to the Swiss Bank Corporation), which has just begun work on the agricultural development of the Namiele basin in the Repubdetached which the company is lic of Togo in West Africa.

the work, supply of equipment, training of farmers and technicians in Togo—as well as management of the whole scheme which will take at least five years to complete-are all the responsibility of the Swiss

company. It has negotiated this scheme, estimated at several tens of millions of Swiss francs, in conjunction with the Swiss company Industrie et Developpement SA nearby Washington the same of extensive pasturage, is the (INDEVSA), and is also respon-builder has started work on responsibility of Swiss company, sible for handling the financing.

£2½m leisure centre

MARPLES Ridgway Building has been awarded the Pimico board, and a 16.66 metre by 7 Leisure Centre in Westminster, London, on a contract valued at the Amateur Swimming Associa-£2.5m.

The contract is due for com-

pletion at the end of 1980 and will involve the construction and completion of a rectangular building housing, at one end, a 25 metre main swimming pool, a

### Good start by Cubitts

OVER 90 homes of traditional construction are to be built by Cubitts for Bristol City Council under a £984,000 contract.

This latest contract makes an encouraging start for Cubitts and bring the total value of new work gained since the start of this year to £2m.

The new two-storey homes, providing accommodation in flat and houses, are due for completion in autumn 1980. John Contractors of Canterbury, Kent, Kendall Kingscott and Partners are the architects and Faithful Detailed plans, execution of and Gould the quantity sur-

> Cubitts is also to refurbish two barrack blocks at RAF Chivenor, are Garnett Cloughl North Devon, under a £120,000 more and Associates. contract from the Property factories already under way at the Welsh Development Agency's Tafarnaubach estate the company has successfully tendered for four more there of 10,000 sq ft each. Value of the work on this estate is over £1m.

#### it consists of a glass-fibre core a communal and administrative section, and facilities for public viewing. The height of the building was determined by the requirements of the various sports activities, particularly the 5-metre high diving board.

of work LATEST contracts awarded to products for all exposed detail

more and Associates. and contraction, screed
In Duke Street, London W1, shrinkage etc., caused by tem-Services Agency and in the Wiltshier is converting a shop perature fluctuations. The meantime with a contract for a and office into an art gallery for chemical composition, allied to block of six 5,000 q ft advance David Grob Fine Arts. The factories already under way at designer for this £103,000 con-

### Wiltshier gets variety

board, and a 16.66 metre by 7

metre learners pool designed to the Amateur Swimming Associa-

room, and four squash courts.

The two areas are to be

separated by a central area with

tion's recommendations. At the

Wiltshier International Interior which total nearly £350,000, include a £232,000 refurbishing job at the Palm Beach Casino in Berkeley Street, London, W1 for Coral Casinos. Architects the normal minor stresses are Garnett Cloughley Blake induced by structural expansion

backing is applied during manufacture to the underside of both membranes and is progressively

tract is Robin Samuel. Wilt-shier is also modernising a shop in Romford, Essex, for D. ford, Manchester M32 GYL. el.

### PLANT & MACHINERY SALES

ROLLING MILLS 5in x.12in x 10in wide variable speed

Description

Four High Mill. 10in x 16in wide fixed speed Two High Mill. Oin x 12in wide fixed speed Two High Mill. 17in x 30in wide fixed speed Two High Mill.

1970 CUT-TO-LENGTH max capacity 1,000 mm 2 mm x 7 tonnes coil fully overhauled and in excellent condition STRIP FLATTEN AND CUT-TO-LENGTH LINE by A.R.M. Mex. capacity 750 mm x 3 mm. FARMER NORTON 18in WIDE CUT-TO-

LENGTH LINE, Max, capacity 15in x 10 s.w.g RWF TWO-STAND WIRE FLATTENING AND STRIP ROLLING LINE, 10in x 8in rolls x 75 hp per roll stand. Complete with edging rolls, turk'n head, flaking and fixed recoiler,

air gauging, etc. Variable line speed, 0/750ft/min and 0/1,500 ft/min. SLITTING LINES (2) 300 mm and 500 mm BLOCK (400 mm) IN LINE, NON-SLIP WIRE

5,000 ft/min with spoolers by Marshall

MACHINES, 20in, 36in & 72in wide. 100 TON CAPACITY COINING PRESS by by Fielding and Platt, 85 ton main ram

TYPE 10004R CINCINNATI PLATE SHEAR. max. capacity 1,2500 mm x 25 mm M.S. Plate, complete with full range of spares.

No. 1 FICE SHEAR, max. capacity 50 mm rounds, 75 mm x 35 mm bar, 400 mm x 10 mm

capacity complete with magnetic sheet ports and omtorised back stops

1,000 TON HYDRAULIC PRESS. Upstroke between columns 92 in x 52in daylight 51in. UPSET FORGING MACHINE

LINDNER JIG BORER, very accurate. 1500 TON CLEARING D A PRESS Bed 180" x 96", 200 TON VICKERS CLEARING PRESS

LUMSDEN GRINDER 36" dia. magnetic chuck, NATIONAL COLD HEADER | diz. recon.

DEEMOR HEAVY DUTY LATHE 18" dis. x 10ft. well equipped, reconditioned.
CINCINNATI No. 3 HORIZONTAL MILL

INDEX B30 AUTOMATIC, rebuilt.

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DRAWING machine in excellent condition. 0/2,000 ft/min variable speed, 10 h.p. per block (1968). 24in DIAMETER HORIZONTAL BULL BLOCK

Spooler. (Max. Inlet 9 mm finishing down to 1.6 mm copper and aluminium). and 9 ROLL FLATTENING & LEVELLING

Taylor & Challen virtually unused—fully automatic 160's.p.m. x 24 mm stroke.
HYDRAULIC SCRAP BALING PRESS

flats (spare shear blades) CAYMAN ALLIGATOR SHEAR, max. capacity 90 mm rounds, 300 mm x 40 mm bar and

1974 FULLY AUTOMATED COLD SAW by Noble & Lund with batch control.

3 CWT MASSEY FORGING HAMMER.

WALDRICH COBURG HYDRAULIC PLANER capacity 160in x 50in x 50in. Almost new

Bed 36" x 40" Air-Clutch & Brake as new. 200 TON SCHULER HIGH SPEED PRESS Dauble roll feed, execellent.
WICKMAN 2/ ASP AUTOMATIC.

200 TON TAYLOR & CHALLEN DEEP

V.D.F. CENTRE LATHE 26" dia. x 14ft Spindle Bore 54".

## Letus make an exhibition of your work!

The DoE and RIBA are once again sponsoring the Good Design in Housing Awards.

The winning designs will be exhibited at the R.I.B.A., then at the Department of the Environment and later at selected centres throughout the country concentrating on the winning locations. The awards ceremony will be featured prominently in the professional and technical journals, and a brochure containing the award-winning designs produced and distributed widely. All this focuses attention on examples of overall good design in housing, the planning of schemes well suited to their environment and the construction of dwellings specially designed to meet the needs of the people who inhabit them.

There are awards in three main categories - the public sector, the private sector and improvement schemes in both sectors. There are also special awards for housing for the elderly and the handicapped. There is no restriction whatsoever on the size of the private developer entering - a small firm is just as likely to win as a large one. But you can't win

unless you enter. The private sector is divided into two groups: one for lower-priced housing and the other for housing with no upper limit on selling price. The minimum number of dwellings per scheme is two. This is to provide more encouragement for the small firm to enter. Assessors will continue to take into account the market for which schemes

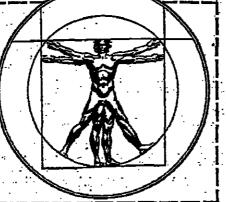
are commissioned. This scheme applies to England only.

### Closing date for entries 30th March.

Photographs and plans may follow up to 12th April. For further details and entry forms send this coupon or telephone 01-928 7855 ext. 780.

The Secretary: Awards for Good Design in Housing 1979. The Department of the Environment (Dept. FT) Room 831, Becket House,

.1 Lambeth Palace Road, London SEI 7ER.



### Access to high spots 23 feet (7m) and can be driven,

Manlift work platform is designed safely to lift 500 lb (226.8kg) of men and materials rapidly into inaccessible areas 40 feet (12.2m) above ground level, eliminating all convenneed for ladder and

This self-propelled hydraulic zoom work platform requires no

### **Concrete** pontoon study\_

AT THE REQUEST of Cockerill Yards, Hoboken, NV, Belgium, Lloyd's Register of Shipping has carried out a feasibility study of a 130 metre-long pre-stressed reinforced concrete pontoon on which it is intended to install an 8,000 tonne process plant.

The assistance of the advisory and projects group of Lloyd's Register's hull structures department was requested for the structural design of the pontoon. This involved the formu-lation of the design basis and the evaluation of the design loads. Other aspects which Lloyd's Register considered were the determination of structural response characteristics, an evaluation of the neces sary prestressing forces, a preliminary structural design and

a weight estimate. During the evaluation of static and environmental loads. special attention was paid to the initial delivery voyage conditions which, for the purpose of the study, were taken to involve an all-seasons open-sea

Lloyd's Register of Shipping on 01-709 9168.

**Vosseler** Manufacturers of precision partitioning & laboratories

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3-5in x 8in x 9in wide variable speed

24in x 36in wide x 300 HP Two High Mill.

by Farmer Norton (1972).

PACEMAKER SIX BLOCK (22in x 25 h.p.)

variable speed Wire Drawing Machine by

Marshall Richards.

2 75 Die MS4 WIRE DRAWING MACHINES,

DIE 1,750 ft/min SLIP TYPE ROD DRAWING.
MACHINE equipped with 3 speed 200 h.p.
drive 20in. Horizontal Draw Blocks, 22in
Vertical Collecting Block and 1,000 ib

600 mm x 16 mm flats (spare shear blades).
CINCINNATI GUILLOTINE 2.500 mm x 3 mm

COLE MOBILE YARD CRANE, 6-ton capacity

4in dia. 750 tons upset pressure.
WICKMAN 2iin 6SP AUTOMATICS 1961 and
1963. EXCELLENT CONDITION. CINCINNATI CENTRELESS GRINDER.

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EDITED BY CHRISTOPHER LORENZ



Nicholas Leslie meets the man who helped launch a small Buckinghamshire water treatment company on a new wave of growth

## How Elga struck the right note for expansion

"I WAS sunbathing in my Wycombe—"and there are not garden one day when this chap many companies in Chiltern came riding up on a horse, villages."

But there were also some asked me if I would like to go rather weighty reasons which and run his company. I said, No thank you."

That might have been the end recurring grouse among smaller for the matter but, for David businessmen that they are ham.

of the matter, but for David businessmen that they are ham-Moreau it turned out to be the strung by Government legisla-rather unlikely beginning of a tion.

relationship which launched a Moreau's background is small Buckinghamshire water essentially entrepreneurial.

major competitors

Portals Group, with its annual
water treatment sales of over
£58m, Elga Products' 1977-78
turnover of £25m compares
very favourably with the
£400,000 it schieved in 1972, the year David Moreau joined was only just establishing its
ethical pharmacenticals activities. Moreau was involved in

#### Persisted -

Moreau's initial reluctance to join Elga stemmed from the number of business interests which were fully occupying this time. But Walter Lorch—to set up a UK subsidiary of Syntex Corporation, the U.S. fact that he already had a the horseman and founder of Elga—persisted. He knew of Moreau's reputation and they had aiready met when Moreau attended an Elga "Leadership Lunch," an annual event held by the company for the past turnover in excess of £10m.

treatment company on a new After gaining degrees in both wave of growth.

Inough still of modest spent most of his formative stature compared with such management years in the pharmaceuticals industry — medicine is my hobby," he

> setting up new operations, in particular in Germany and Belgium, and therefore faced the problems and opportunities associated more generally with

pharmaceuticals group. With 12m from the parent company Moreau established a business at Maidenhead, in Berkshire. This is now making an annual

Moreau had been headhunted Several factors swayed both to that job and again in Moreau to change his mind. In 1970, to Weddel Pharmaceuti-Moreau to change his mind. In 1970, to Weddel Pharmaceuti- "creeping bureaucracy" in the a company in a new industry, light vein, but nevertheless an cals, part of the Vestry shipping industry. He felt the golden but nevertheless one with important consideration, was and meat trading group, where era of pharmaceuticals had factors common to pharmaceutithe fact that Elga is based at he became general manager ended; costs were rising so cals. For example, it involved



David Moreau: 'the whole nature of a company changes when you spur it on

fed up with pharmaceuticals

struction of a new factory. Two investment to produce each new years later he moved to Elga, drug. And though he appre- in acquiring Moreau was to enthough he remains as non- ciates the need for safety, he able him to retire from Elga. executive chairman of Weddel. was disillusioned with having to

The serious reason for his "wrangle with governments all 1937 to manufacture electrical move was that he was getting over the world."

He had founded the company in 1937 to manufacture electrical and gas components for domes-

Lane-End, a beautiful area in Here, he masterminded an ex-rapidly that it was taking ten a pure product and was a multi-this presented in terms of equiptie Chiltern Hills, near High pansion programme and con-years and at least \$15m of disciplinary business. ment to prevent and remove the

The dangers of going for increased market share

BY CHRISTOPHER LORENZ

Walter Lorch's own objective Elga, he felt, presented him tic appliances. In 1954 he moved because of what he calls the with the opportunity of running into water purification, after encountering the problems associated with tap water silting up steam irons and other appliances. He realised the potential

custom-designed and standard systems using de-ionisation and reverse osmosis techniques to remove contaminants. Its products are used in laboratories, hospitals and such industries as soft drinks, paints and

Although Moreau is extremely diplomatic about his early relations with Lorch, there were clearly some problems to over-come. After all, both were strong characters with their own ideas on how things should be done. And though Lorch was planning to retire, it would still be a wrench to withdraw after 35 years, even if you do have a whole host of other interests including vintage cars, a stud farm, skiing and writing; he has written a book on all types of ski mobiles and is currently writing an encyclopaedia on water treatment plants.

A good insight into the man (and perhaps one appropriate to most strong-minded entrepreneurs) is the caption to a portrait of Lorch that hangs at the company's headquarters. It says: "If at first you don't agree with me, try try try again."

Eventually the two men came to understand one another and Moreau found himself left to company which had a strong technical base, but which in terms of sales had remained on a plateau for several years.

His immediate answer to this situation seems simple, though it is one often either rejected by companies or handled badly. He beefed up the marketing effort, by employing better pre-

pre-treatment being needed, thus saving costs. our in advertising and publicity material, and generally tried to put over an image of quality products and service.

Somewhat inevitably, there

were casualties in the ranks of management. Moreau's explana-tion of this is perhaps best summed up in his statement that "the whole nature of a company changes when you spur it on. So you need young people, or older people with consider-able flexibility."

#### Relishes

Many of the current manage ment have come up through the ranks and Moreau clearly relishes the idea of people taking this path. "What I like is to take somebody who I feel has a particular talent and give him a chance to use it," he says. Thus, a former technical representative is now Elga's technical director and a former secretary has taken charge of publicity, with a budget of £150,000 a year. A shift in product mix has also taken place. Instead of cus- particularly in specialist magatom-designed products accounting for virtually all of the business, a greater number of more or less standard products

production line manufacture. "fundamentally new principle" seems particularly likely plant at the present time in the water

has been introduced, allowing an

increased element of less costly

inquiries are received each year, a good many being con-verted into orders, says Moreau. Because of this Elga does not have a large number of salesmen. Instead, it con-Research is aimed largely at centrates on maintaining a making technical advances, since strong force of engineers for commissioning and maintaining

Another research area is con-

in water treatment tend to get fouled up by organic materials,

such as leaves. A "scavanger" resin to rot these organisms, so

preventing fouling, would save

considerable costs since clean-

ing resins is an expensive pro-

Clearly, Elga's competitors must be thinking along similar lines, so what does Moreau think of the competition? "I am glad the market is well populated" he care "We are

populated," he says. "We are confident in ourselves and do not see any serious problems."

Portals Group, Elga's main com-

petitor, has without doubt more

muscle overall but Moreau

maintains that since the con-

stituent companies of Portals

with which Elga competes directly—such as Permutit and

Houseman-are of comparable

size to his company, he is not

In recent years Elga has in-

particularly worried.

Of the progress the company purification field, says Moreau. has made, one factor pleases He sees, for example, a com- Moreau above all else. Turnposite membrane being devel- over per employee has gone up oped in the reverse-osmosis since he joined from £7,000 to field which will result in less nearly £18,000.

SIR Raymond Pennock deputy chairman of ICI describes as "dangerous." the widely accepted view that the only way for a company to achieve growth in a low growth economy is to increase its market share.

The attitude that "market share must be objective number sultants. If was supported investment analysts at the making losses. repeatedly by prominent seminar, organised by Eurorepeatedly by prominent seminar, organised by Eurospeakers from all over Europe finance.

The spite of the general He said that ICI's capital decline in economic growth, at a seminar in Brussels last. Sir Raymond intensified his introduction of innovative proweek on Strategies for the company's earlier attacks on its

one has been fostered through panies to adopt to the problem prices to increase their market citing new ICI products in

arly Eightles." - main European competitors for source of growth in the chemical ing Dow, Bayer, BASF, Dupont The proper solution for com- their "myopic policy," of cutting industry, Sir Raymond said, and Hoechst.

years of practice by leading of low growth is a much more share. Since none of the majors herbicides, fungicides, biocides, myltinational companies and by sensible pricing policy. Sir was prepared to share market dyestuffs, inorganic fibres, and advice from management con-Raymond told bankers and share, they succeeded only in share. Since none of the majors herbicides, fungicides, biocides, Sir Raymond admitted that feedstuffs

Savs

managing

there were circumstances and industries where price cutting profitable policy. In electronics, for example, Texas Instruments has repeatedly carried several

· Questioned after his speech, and has emerged with a greater strength, all of them unwilling market share and a more stable

doubted whether such a strategy could be successfully applied to more · mature products and industries, especially if the structure industry's product sectors—including cal-culators and digital watches— facturers of relatively equal levels which reward existing Sir Raymond said.

fitting, and attempting to

Handling problem solved

and welding is the problem of welding clamp, levelling and

aligning the fitting to the pipe. support device, rim-type re-

WELDING

to cede market share.

has attacked its main European competitors for drastic price cutting in depressed sectors of the market — pre-eminently synthetic fibres. The group has, to quote Sir Raymond, been

assets" even if volume growth

"In the UK, in spite of its lower growth, we have met with some success by maintaining volume," he said.

"In the U.S. also, the more sophisticated approach pricing policies during times of ver-capacity and low growth This is not the first time ICI has led to a higher profit as attacked its main European performance." This was a

## Technical News Close check on big pipes

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

### AUTOMATION

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### No need for the human hand

ROBOTS designed and made in As a result, the robot can Japan by Fujitsu Fanue are to supply five associated metal be marketed by Hydro Machine removal machines placed around

will complement the company's in the UK to make such systems existing numerically controlled acceptable, their ultimate use

### • INSTRUMENTS

### Flow tested by sound

required for a transmitted ultrasonic pulse to travel to the surface of the process medium and back to the instrument. This

features a highly directional Skelmersdale WN8 9SB.

### Temperature indicator

INTRODUCED INTO the UK numerals and a probe socket from the U.S. by British Roto. The display can be provided in therm is hand-held digital Fahrenheit or Centigrade. thermometer which makes use of

Four models are available grains, chemicals and other covering a total range of -35 industrial thermal environto to +149 deg C and each is ments.

Commercial enquiries to plessey Optoelectronics and to the flessey Optoelectronics and housed in a high impact. The company is at Kenfig aluminium case on the panel of. Industrial Estate, Margam, Port which is mounted an on-off mounted an on-o

£25,000 to £60,000.

Basically, the machines are programmed pick - and - place mechanical arms and hands, and able initial effort will be needed able initial effort will be needed able initial effort will be needed.

Skelmersdale Lancashire.

Skelmersdale Lancashire.

Skelmersdale Lancashire.

Skelmersdale Lancashire.

Sale terminals: the 1BM 5265

sale terminals: the 1BM 5265

These 34 computer to support the and System 38 computers.

34 computer to support to support the and System 38 computers.

35 open reparation Program is also announced on the IBM 5265.

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39 computer to support the and System 38 computers.

30 computer to suppor The new instrument, model For example, linear characteri165; has been developed for difficulty for the second se difficult readings are often difficult to obtain with convers

difficult to obtain with conventional equipment. It will find converted to a digital binary particular application in the signal for extreme resolution was proposed in the signal is detectors. sewerage and process industries and repeatability. Output indication infra-red detectors for industrial incasurement of the time are standard features as is air high speed infra-red imaging required. path temperature compensation.
Optional components which can be fitted internally to the model 165 include integrators, welding and engraving installatime is directly proportional to the height of the unit above the totalisers, alarm contacts and an tions. inkless, strip chart recorder.

More than two dozen inter-

linearisation of sensor characc changeable probe heads are x 1 mm which has high voltage teristics and to control the neces. available to allow considerable responsivity, but for maximum sary analogue to digital versatility of temperature conversion measurement in liquids, gases,

button, LED display in 8 mm 2PW (0656 740551).

### @ QUALITY CONTROL

VITAL circumferential welds prospect. line that will take gas from extensions are constructed. Iran into Russia will be ultraautomated system made by of Milan which is responsible MatEval NDT Company of for construction of the southern Newton-le-Willows. Similar section units have already been The unit consists essentially supplied to Russia for the of an inner ring in two halves

northern section. project; including mobile ference, testing a weld in about three minutes. laboratories and workshops,

Tools, of Haistead, Essex (a it with stock metal and remove laboratories and workshops. In operation two sets of four member of the 600 Group), in the finished components to off- busines won by the company ultrasonic probes mounted on totals over £1.5m with the moving head are positioned £25,000 to £60,000. totals over £1.5m with the the moving head are positioned (0525 377206).

one each side of the weld line; in the southern section of an director Harry Jackson, "of the probes are in the same 800 mile long 56 inch gas pipe more to come" when further straight line, parallel to the pipe axis. Each of the probes MatEval has supplied the is fired in turn in a pulse echo sonically tested by a complex latest machine to Saipem SpA mode, yielding data about longitudinal defects along the achieve a reasonable degree of fine adjustment mechanism main body and root of the weld.

The eight elements can also be operated in a transmit/ receive mode, each crystal in headaches ensuing from this The pipe welding clamp is adturn being used as a transmitter exercise is the recent story of justable for over 100 fit-ups on MatEval is part of BIX (UK) Leighton Buzzard, Bedfordshire

### IBM point-of-sale equipment

existing numerically controlled althes, making it possible to produce turned components and the company was determined to be in at the early stages of growth.

One of the units, Sirobot 2, One of the units, Sirobot 2, on move bodily up and down, rotate on its own axis, move backwards and forwards horizontally, while the picking hand some some solutions.

The programs can be used to perform all normal cash register operations and provide an economical store-and-forward data collection system for both individual and multiple stores the moment, compared with an averbeen announced by the solution of the picking hand.

The programs can be used to functions such as price look-up files and negative credit register operations and provide an economical store-and-forward data collection system for both individual and multiple stores the moment, compared with an averbeen announced by the general Systems Division of IBM United Kingdom, for shipment to start at the end of shipment to star shipment to start at the end of may be attached to a 5265 in be used to pass edited data to he year. order to share its disc control other programs running in the The IBM 5260 Retail Store instructions and data storage. computer, such as sales ledger Three new retail application and payroll. The Data

System consists of two point of sale terminals: the IBM 5265 programs have also been Preparation Program is also announced on the IBM System/ available on both System/32

### Moves materials around FOLLOWING success of the at intervals. Payload of the

ments, D. D. Lamson is to start and the space for the load is marketing on electric car transporter system to manufacturing infra-red detectors for industrial industry, firing its first shots at bends and up vertical rises and tion and loss of echo indication are standard features as is air high speed infra-red imaging electronic equipment makers. can change from track to track to track are standard features as is air high speed infra-red imaging electronic equipment makers. can change from track to track to track are standard features as is air high speed infra-red imaging electronic equipment makers. can change from track to track to track are standard features as is air high speed infra-red imaging electronic equipment makers. for applications such as fast own factory at Gosport and disprogrammed to stop at any feedback control of laser cutting, tronics companies. Track for the system can be or at the press of a button. floor, wall or ceiling-mounted or Horizontal speed is six metres/

The wide spectral response surface and calibration is a Robertshaw Skil, Greenhey and high detectivity of these simple operation.

The ultrasonic detector Place, East Gillibrands, pyroelectric detectors is ideal for many general purpose infrafor many general purpose infrared laser studies, where the fed from power units placed 87311). detection of low power fast required. These new devices, designated

the PLT 411F series, have as detector element a single lithium tantalate crystal 1 mm x 1 mm which has high voltage symposium last September communications, and an ICL symposium attended by 200 view of communications-based a pyroelectric ceramic element can be offered.

(0327) 51871.

### pulse chains is CONFERENCE **Electronics in business**

two rows of work benches. Each sec car picks up a 24 V DC supply

might for example pass between sec, vertical speed four metres/

from the track which in turn is Gosport, Hampshire (07017

More from Harbour Road

The meetings will take place

people, Information Studies has computer systems. organised a repeat of the event on January 29-30 and has an- in the above order between mid-

tivity via automation, the 4244).

which is clamped round the Mateval equipment will be responsible for most of the more advanced testing on the project; including mobile pipe and a second, slewing ring while the others receive—a two welding teams of four men a variety of pipe sizes and fit technique particularly intended a side which took four and a half tings, including valves and is add moves round the circumtage and lack of sidewall fusion.

PROC

which is at Commerce Way. without success. The exercise was, however, Alderton had arrived and imple-

welding.

Dearman. The latter had main block of the clamp by a suffered over a quarter of a chain, it is safely held, an uncentury of constant frustration disputable asset to the fitter and in the industry, and had finally welder in a normally dangerous come up with a jackscrew operation. eliminating the need for lugs system which, apart from device allows a precise opening and wedges, meant that one simple clamp could take the simple clamp could take the place of a whole range of in-

over from Houston, U.S.

throughout the UK and Europe. and the weld completed. The method employs a series

#### **e ELECTRONICS** equipment in office environ- vehicles is eight kilogrammes

Ranges are normally changed by altering jump-plug positions on the single printed circuit board used in the device, but for major function changes the complete board is replaced. the same time.

Further problems are encoun- forming clamp and double tered in handling the pipe, in jackscrew clamp. A chain, bracket, hook and accuracy in line-up prior to comprise the bold-down clamp which holds a pipe stationary One example of the constant while preparing for a fit-up.

attempting maintenance opera- clamp in the piping industry, tions to a 24 inch riser pipe . . . ideal for pipes from one inch to 54 inches.

Consisting of a main block,

completed within one and a half fine adjustment mechanism, hours, after engineer Keith Alderton had arrived and implession of a main block, fine adjustment mechanism, lack bars and screws, spacing screws and a chain, it is secured mented the new-to-this-country
Dearman system, specially flown

The chain and turning the special of the chain and turning the chain and turning the special of the chain and turning the chain an fine adjustment crank—the pipe Englishman Alderton had is then ready to accept the fitworked for an American oil
company in the U.S. and was
or removed as required.

ERS 11 differe from other sys-

operation.

dividual pipe clamps.

Alderton is the sales engineer of a company (part of the Avon group). ALH Systems, Westbury, Wiltshire, which will now distribute the system the top is tack welded, then the bottom, followed by the sides. Clamps and devices are removed and the weld completed. More on 0373 823814.

### Checks the dimensions The cars can travel around

to dimensions sensed by an for concentricity checks. associated transducer. Resolu- Another option is a tion is one per cent and the display is flicker-free. Full scale deflection is in six ranges from 0.025 mm (0.001 inch) to 0.5 mm (0.020 inch). different scales being applied to give readings in metric or

can change from track to track at transfer points. They can be a 250 mm (10 inch) vertical low bands. Alternatively, the programmed to stop at any display column using 100 pluguant can be made to ignore on after a predetermined time one of which lights up according only maximum and minimum, one of which lights up according only maximum and minimum, Another option is a signal mixing unit based on a differential amplifier for adding or sub-

tracting two or more readings

-useful for checking taper. Full provision is made for interfacing the gauge with other electronic equipment. An analogue processing unit can be installed for example and used for China for the direct drive of chart analogue to digital data systems. The company is also in a

position to supply completely several component dimensions is London-based Abacus Com-and other parameters at the puters, 62 New Cavendish Street, London W1V 5PH same time.

Machsize is at Clarendon fies with, say, five lamps show- wickshire (0926 312542).

#### reference to the recent policy of the U.S. majors in avoiding price cutting. In such circumstances, "competition has rested more on

#### THE NORGREN CLYNPIAN PLUG-IN SYSTEM This unique system of Com-A TRADITIONAL cause of frus- of different tools including the tration in the field of pipe fitting hold-down clamp, chain type pressed Air Processing Equipment has been extended and now provides I for 1-11 inch piping installations.

(I) IMI NORGREN LTD.

## **PROCESSES** DESIGNED OVER a period of

familiar with the new pipe-welding technique, developed the levelling and supporting tems in that it operates from an there by veteran pipe-fitter Tim device, which is secured to the actual model of factory condi-It takes into account what

operations have been done on the factory floor, the total operations involved for each The levelling and supporting order, and the manufacturing erice allows a precise opening stage each has reached. Each machine operation is identified: as well as the grade of operator available at each stage, and the system makes continual use of available flexibility in the allocation of machines and people to the current mix of work to obtain optimum results. Each work centre is analysed and the resource allocator routes the work in accordance with the centres required and whether or not the job can be

> EBS 11 is unique in having a resource allocator which takes account of all these factors as a matter of course. Apart from the technical ad-

> done on all machines in that

work centre or only certain

vantages of EBS 11, a further factor is its low price. Four systems are presently installed—at Metal Box, GEC, Pye, and Drayton Controls. Samleco, Olympic House, 63, Woodside Road, Amersham, Bucks. HP6 6AA. (02403 21825).

## **Computers**

CLAIMING TO be a leader in the difficult business of export-ing technology to China, and among the first companies to Gauges can be stacked sideways tooled machines equipped with take advantage of the opening to give up to five readings at a battery of gauges for checking up of trade with this country,

(01-734 2907). The Chinese have just taken Options include grading facili- Avenue, Leamington Spa, War- delivery in Peking of two of the company's medium-sized com-

### - That mysterious pay data bank

BY SAMUEL BRITTAN

current pay rise outside Govern-

The Data Bank was set up in 1977 at a time of Stage Three. Over 8 million workers were covered last year: and enquiries. ment of wages in Stage Three. The present pay round is

much more difficult to assess. This is both because the 5 per cent norm is much further below the going rate than the 10 per cent one of Stage Three. because negotiators have deliberately delayed settling. The CBI's error up to early January was that it tried too hard to present the figures in a way which would help the Government's 5 per cent pay guide-

Fortunately the CBI is now moving to a more open policy. Its latest figures cover 1.6m workers who have so far settled; and the lag in reporting can be anything from a few days to a month. The oil tanker drivers, for instance, are still excluded. The CBI has now dropped the stress on compliance with the official The outstanding fact is that

about 1.3m of the workers who have so far settled are covered by Wages Council awards or set minimum rather than actual rates. Indeed over tworeceived well above 5 per cent. The nub of the CBI informa-

covering over 300,000 employployees settled at 5 per cent or ments received above 10 per cent-probably all 10 to 15 per

† Indicates programme in black and white

9.15 am For Schools, Colleges. 10.45 You and Me. 11.00 For

Schools, Colleges, 12.45 pm News.

1.00 Pebble Mill. 1.45 Barnaby.

2.01 For Schools, Colleges. 3.15

MANY PEOPLE must have totals. But it does say that about been puzzled to see at the end, one-fifth of those covered by of the first week of January a settlements in the 5-10 per cent report that the CBI Data Bank range and about two-fifths of was claiming that most settle- those receiving 5 per cent ments were in keeping with the obtained also a productivity Government's pay guidelines, element. This is said to be worth on average about 5 per The fact remains that if worth on average about 5 per analysed properly the Data Bank cent. An approximate figure is probably the best available suggests a going rate of settlesource of information on the ment so far of about 8 to 10 per cent, depending on whether or not productivity deals are included.

CBI members are reporting expectations of larger pay rises than they were a few weeks ago. But the main reasons given are have not been confined to CBI But the main reasons given are members. The Bank had quite a not the removal of sanctions. which has so infuriated the Whitehall establishment, as the publicity given to the tanker driver and road haulage disputes and also to the BBC settlement, in which the Government clearly connived.

The end of three years of rigid controls must inevitably cause some pay explosion. Moreover, existing monetary guidelines, although tight enough to prevent a breakthrough of 1974-75 proportions are far too high to be consistent with anything like the 5 per cent settlements norm. as I pointed out at the time of last summer's White Paper.

The danger, however, is that the headlines about settlements will give an impression of a much greater acceleration in pay than is justified. The CBI's earlier over-cautious presenta-tion may itself contribute a little here. But much more important are the distortions in the settlements themselves peculiar to guidelines and is concentrating ments themselves peculiar to this particular pay round. When sanctions were in force there was an obvious incentive on all sides to minimise published percentages and to put the emphasis on the productivity deals, deferred elements and other ways round. Now union leaders have an interest in fifths of all employees, who maximising headline percent-have so far settled have ages. In one prominent recent settlement, which was reported but have used the escape to be worth up to 15 per cent clauses of the official White was believed by employers to be Paper, including the one for worth 11 or 12 per cent. during this round is a combina-

What we look like seeing tion relates to 512 settlements during this round is a combination of low settlements and ees of private sector companies. abnormally high drift in the Some 55 per cent of these emerges part, and high settlements early part, and high settlements with abnormally low drift in the later phase. But the movement less. Another 10 per cent set- later phase. But the movement tied at between 5 and 10 per of actual earnings could be cent: from this it does not take much less sensational. The a mathematical genius to work CBI's best settimate for this out that about 35 per cent of round is in the admittedly broad those in private sector settle- range of 11 to 15 per cent. Given a firm policy towards sterling this could still be consistent with inflation not going CBI excludes so-called much above 10 per cent, or even "self - financing productivity necessarily reaching that figure, deals" from its summarised for the rest of this year.

ing to persuade others—fellow depends. workers, substitute labour,

pute. (It has even been ex- how far conduct declared law- police the limits of their protended to demonstrations by the ful by statute would be unlawconsumer protection lobby). ful without it. Section 15, Since 1875, Parliament has Trade Union and Labour Rela-attempted, with intermittent tions Act 1974 — the latest of

help from the courts, to define four legislative steps—says that what picketing is legal and what it shall be lawful for people to is not. Its relative failure is attend at or near certain places reflected in the uncertainty for certain purposes, so long as about the legality of the action they act in contemplation or of picketing lorry drivers in the furtherance of a trade dispute. road haulage strike. All the variations on the

single theme of picketing can be, and are pursued with greater or lesser degrees of sullen silence outside the employer's factory gates, content with displaying on a placard the fact of the strike in language calculated to encourage workers solidarity. Another might find the silent

He may indulge in practices that, more or less, are found tolerable in a civilised country. a trade union before deliveries will be allowed on to the employer's premises is pure extortion and constitutes blackmail

vigil too tame and ineffective.

In some instances the attempt to persuade by protest and demonstration spills over into violent action and serious— Mass picketing is thus almost even fatal—injury. In between bound to fall foul of the law. the two extremes there is a that the law ought to be deficient in the hands of the A picket, in days gone by, highway or causing a public when it instructed its members trade union's immunity from nite about in tolerating or forpolice. As soon as there is the could get across his message to nulsance is that their activity on the Express group of news legal action.

The crucial element in that provision is the conluding phrase, as it has been interpreted by the courts within the last year or so. But, quite apart vigour. A picket may stand in from the restricted way in which the courts have interpreted that phrase, the section in the Act gives a very limited right. It is, above all, always sub-

iect to regulation by the police in exercise of their power to prevent a breach of the peace. Much recent picketing has come perilously close to the physical blocking of the roads leading to and from the place of work and A demand, for example, that an as such constitutes a public employer should pay money to nuisance which is a crime as well as a civil wrong. In such a situation not to

obey a policeman's instructions (provided he acts reasonably in order to prevent a breach of the peace) may amount to an reasonable way with due conoffence of obstructing the police sideration for others.
in the execution of their duty. But there is decidely no right Trade unionists object that

runs the constant hazard that ear the message of trade union That Parliament has given it will be brought to an end solidarity, and only the deaf (incustomers or suppliers — to a minimal right to picket is unabruptly. It is tolerated only cluding the selectively deaf) can assist in the industrial action doubted. The problem is to so long as the police agree. In avoid the blandishments for so by causing those others not to say how far that minimal right the event; trade unionists sen- long as it takes him to deal with the employer in disextends; and worse still to say sibly discuss in advance with the gauntlet of the picket.

posed activities.

long as it takes him to run the

But the man at the wheel of his car, or the passengers in This, it is forcibly said, the bus, are not readily denotes the right into a reachable, except perhaps by a privilege at the behest of the powerful microphone, and even police. Neither sinde can be then the penetration will not be

#### THE WEEK IN THE COURTS

Variations on a theme of picketing

BY JUSTINIAN

affairs, but it is difficult to see how it could be otherwise. Perhaps there should be versy over what was established local machinery for ful " picketing and wh defining the limits of picketing rather than have a law or a code of practice that cannot deal with the ad hos situation.

Given police tolerance, there is, nevertheless, a right to attend a place of work, but only for the purpose of obtaining or communicating information or "peacefully persuading" another person. Attendance for that purpose includes the right to try and persuade anyone who chooses to stop and listen, in so far as that can be done in a

to submit anyone to any kind of constraint or restriction upon his personal freedom. And there

very happy with this state of great and will be ephermeral. Before the Trade Disputes Act 1906 there was a controful" picketing and what was not. The Act solved the prob-

Iem by making it clear at least that peaceful picketing included. not only peaceful transmission. of information (that there was a strike going on) but also peaceful persuasion (not to cross the picket line), and it has been repeated in the recent legislation of 1971 and

But the protection of the pickets against criminal prose-cution or civil proceedings covered only producer-picketing and not consumer-picketing: that is, persuasion not to work as opposed to persuasion not to

The essential protection to peaceful picketers who might

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THEATRES

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flux, not to say confusion.

Four years ago Lord Denning proclaimed that the right to picket, so long as it was peaceful could be indulged in by those making political protests as well as those engaged in industrial action. In the case where a number of cifizens in Islington demonstrated outside, and advance the cause; and that the premises of a local estate that was enough to bring them agent, they were stopped from within the immunity. doing it by an injunction from the courts.

In dissenting, Lord Denning asked rhetorically: "Why should workers be allowed to picket and other people not? Apart from the fact that in the case of a trade dispute the matter is governed by Act of Parliament, the law draws no distinction between the two kinds of ing a trade dispute." picketing.
That expansive approach to

peareful picketing would seem to indicate that the courts would fayour a liberal interpretation of what constituted "the furtherance of a trade dispute," and in particular would encompass secondary picketing or sympathetic picketing. But no. In a series of cases under the

provision giving immunity to trade unions from being sued.
Lord Denning and his colleagues have restricted the
ambit of that immunity. And what goes for trade unions in their industrial action that induces its members to break of legal immunity for all kinds their contracts of employment, of industrial action was compreso the same appears to go for heasive. It looks now as if,

PICKETING is a loose word bidding. But it is not possible slightest sign of trouble, the the strike-breaking worker who must be in contemplation or fur-papers to black all news-covering a multitude of actions to assert either that picketing police may move in and ask the walks to work. You can walk therance of a trade dispute, paper copy engaging from the taken by those on strike seek is legal or illegal. It all pickets to move on Picketing alongside him bellowing in his Here the law is in a state of Press Association in support of the strike of provincial journalists. That action was clearly

unlawful, unless the action was taken in contemplation or furtherance of a trade dispute .-The National Union of Journalists genuinely and honestly believed that the blacking would assist-their provincial members

But Lord Denning is reported by the Daily Telegraph of December 21 assaying: "It is not sufficient that the trade union leader should advance the cause. It is not merely a subjective test The act must be such as to helda reasonable prospect or be reasonably capable, of advanc-

The journalists who were. asked to black the copy were not themselves in dispute with their employer; hence the Court of Appeal was able to say that the evidence was not sufficiently compelling to show that the sup-porters of the strikers were themselves engaged in a contemplated trade dispute, or acting in furtherance of one.

wings of the trade unionists who had thought that the latest legis-lative essay into the conferment The most recent instance in tent has passed, Parliament will volved the action taken by the again be debating the score of

### Likely prospects at Newbury

competitive handicap hurdle, the leader in several lists, will represent the narrowly escaping disaster schweppes Gold Trophy, less sent Fred Rimell in preference when crashing through the rail

#### RACING

BY PAMELA JUDGE

becoming anxious to say the least.

There seems little doubt that the Schweppes," she said.

is (Around Scotland)

Northern Ireland-3.53-3.55 pm

Northern Ireland News. 5.55-

6.20 Scene Around Six. 11.40

Points West (Bristo); South To-

BBC 2

10.30 am Multi-Racial Britain.

2.15 pm Let's Go. 2.30 The Craft of the Potter.

Money Goes.

Champion.

6.10 Animal World.

Circus.

11.00 Telé-ournal. 11.25 Late News.

10.20 Arena.

RADIO 1

RADIO 2

7.00 The Water Margin. 7.45 In the Post.

8.10 Mid-Evening News. 8.15 The Marti Caine Show.

9.30 The Body In Question.

11.40 Closedown (Reading).

3.00 That's The Way The

3.30 Delia Smith's Cookery 400 Modern Language Teach-

5.35 News On 2 Headlines.

6.10 Charlie Chaplin in "The

11.00 Play School.

Ireland

to five other Kinnersley entries. two flights from home in the The Prince Regent horse, the Bula hurdle at Cheltenham early subject of some good sized ante- last month, lost the opportunity posts bets when his weight of of a preliminary run at Haydock. ance when given the opportunity ner of his first three races last of a much needed run at term, needs little preparation Wolverhampton last week

Not given a hard race there by Jimmy Burke after Heather my Hawk, in receipt of 32 lb, had Feb set up an unassialable advantage approaching the final flight, Albion Prince coasted home a respectable second to the Ted Carter gelding, thought good enough by his handler to take the field for the Sun Alliance novices hurdle.

Mercy Rimell, understandably

Within the Law, not seen out 10 st 10 lb became known, put However, unlike Albion Prince, up a more than useful perform- the Peter Easterby gelding, win and the absence of a previous run would in no way dampen hopes for him

February 10. With 11 st, the Easterby bay seems to hold every bit as bright chance as his stable-mate Major Thompson, who is 10 lb heavier than him in the weights Dikaro Ladv, Kenlis and Badsworth Boy all look likely prospects for Tony Dickinson at Teesside today, and it is with more hope than confidence that

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Mets. Thursday 3.00. Saturdays 4.00.

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LYTIELTON (proscenium stage); Tonight.,
Tomor & Wed 7.45 BETRAYAL new
play by Ploter.
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& Tomorrow & THE WORLD TUENNED
UPSIDE DOWN by Keth Devoluts, from
Christopher. Hill's -book. (perhaps not
saltable for children).
Many excellent theap sexts all 3 theaties
day of port. Car park. Restaurant 928
2033. Credit card bookings 928 3052. PALACE. CC. 01-437 6834. Mon-Thurs. 8: Fri. and Sat. 6.00. 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber

To Rice and Andrew Lloyd-Webber

PALLADIUM.

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DANNY LA RUE

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SAN WARTY WIGON TWANKIE IN

ALFRED MARKS AS ABANAZAR

Dess Welling Bris Marshall

and WAYNE SLESP. "One of the best
dested of the less parts to be stated
at the Palladium for years." D. Mirror

The belty lauris come almost non-stop."

S. Peccie. SEATS AVAILABLE FOR

TODAY'S PERFORMANCES.

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Mon Fri. at S. C. S. S. S. and 8.75.

Room West Ess 8 (The 7) Phil Medic S. A NIGHT WITH
DAME EDNA
and a handful of cobbers
Starting the annovingly successful
BOOK NOW, ONLY 9 MORE WEEKS

P'INCE EDWARD, CC. 01-137 6877
Evenings 8:00. Mats. Taurs. Sat. 3.00:
TYTES. Fice and Andrew Lloyd-Webber
Directed by Harold Prince. 

PHOERIX THEATRE CC. 01-836 2294.
EVS. 8.00. Wed. 3.00. Sat. 5.00 and 8.30.
DIANA PIEGO JOHN THAW
- MIGHT AND DAY.
A New Play by TOM STOPPARD
Directed by PETER WOOD. QUEEN'S. CC. 01-734 1166, Half price
Prevs. from Jen. 31: Opens Feb. 6.

by PETER TOWNSEMD and THE WHICE
AROCK M SICAL WITH
ALLAN LOVE, PETER STRAKER,
ANNA MICROLS and 809. GRANT.

"AYMOND REVUESAS, CC. 01-734 1593 At 7.00. 9.30. 11.00 cm. Oden San PAUL RAYMOND prepents DIS PESTIVAL OF EROTICA Fally six-re-diltoned Zigt SENSATIONAL YEAR. TOYAL COUTT.
MOB.FM. 8. Sats. 3 and 8.30.
MARY BARNES

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An evening in the physical as enterphysical as it is propositive. S. Ex.

Moder-Thersday evenings 8 00. Frings, Moder-Thersday evenings 8 00. Frings 5.30 and 8.00 and

OY THEATTE GLAVE ATTZ:

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TOP CONT!

ACTOR OF THE YEAR

West End Theatre Award in

FLAY OF THE YEAR

BY STIEN Clarks. "A momentous play. It is not properly to go it."

Fig. You op it. "C. "Control of On Willy West 200. Sets. 5.45 and 8.45. Evel. at 8. Mats. Sets 3.30. Till Feb 24

From Paris in

1,000 NICTION

"Kept me handle fairly steadily with
its boundless down invention. F. Time.
Students 51.00. Mats half price. PAND, 01-836 7560, Evenings 8.00. Mat. There 3.00. Sets. 5.30 and 6.30 NO SEC PLASTED TO SECURITY OF THE SECUR

ST. MASTINS ... C.C. 01-835 1443.
Erds. 800. Wattness Tuns. 245, Salt S.D. and R.O. AGATHA CHOISTIP'S THE MOJECTPAP WORLD'S TOWEST TOWER RUN 2719 YEAR

Spine Thatte. (0789 2271) Teles.
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THE TANING OF THE SPINE TOWN THE TANING OF THE RESERVE Jen.
24. Recorded booking Into (0783) 62181. Part out and which the part of TO AMERICAND THE PER HISTORY

Times " Diret the little of the Design

WAUNTHIELE PC. RSE GOPE LIMITED CEAGON PROFITED FOR 7 21 7 per there exists a until Month I of the there are not wall an eventure of Laughter.

PICTORIA PARACY CC. 111-828 4735-6.

11-834-1317.

EVEL 7-30. Blood Wed and Set. 2.45.

FOR TORROUGH ANNUAL ANNUAL

The concluded view of labour lawyers this last week has been that the courts have clipped the when the winter of our discon-

### WITH THE SEASON'S most Albion Prince, the market

than three weeks away, many trainers unable to do anything but minimal work with their Newbury hopefuls and denied

the aid of preliminary races, are For this reason those intrepid

ante-post backers who annually take a shot at picking the Schweppes winner are probably best advised to look for a runner with either the advantage of a recent outing or is likely to be at his best after a light preparation. From each of these categories, those to bear close inspection are Albion Prince and

more than pleased with Albion Prince's effort, was in no doubt that the race would do the fiveyear-old nothing but good. "He hasn't done much at home because of the weather, and we had to get a race into him before

I suggest Kenlis as his best bet. TEESSIDE 12.45—Dikaro Lady\*\* 1.15—Most Jubilant 1.45—Irish Prince 3.15—Kenlis\*\*\*

3.45—Badsworth Boy\*

SCOTTISH

SOUTHERN

ALBERY. From 8.30 am. 836 3878. CC.
Bkgs. 836 1071-3. Party rates.
Evs. 7.45. Thurs. and Sats. 410. 8.
A THOUSAND TIMES WELCOME IS
LIONEL BART'S
"MIRACULOUS MUSICAL" Fig. Times.
With ROY HUDD. 1.20 pm Report West Headlines. 1.25
Report Walss Headlines. 5.15 The
Undersea Advantures of Captain Nemo.
5.20 Crossroeds. 6.00 Report West.
6.22 Report Weles. 10.35 The Monday

GILLIAN BURNS, MARGARET/BURTON ALDWYCH. S36.6404. Into. 836 S132.
ROYAL SHAKESPEARE COMPANY
In repersoire
Low price perts. this week. twirt. 10mor.
AS YOU LIKE IT
"An evening of rare enchantment." S. Tel.
Tomor 7.00 Then Wed 7.30
Middleton & Rowley.
THE CHANGELING
With Bronson Howard's comedy
SARATOGA (Thurs. Fr.E. Set mac)
RSC sloo at THE WAREHOUSE (see under W).

1.25 pm News and read and weather. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Crimedesk. 6.30 Sale of the Century. 10.30 Late Call. 10.35 The Detectives: Columbo. 1.20 pm Southern News. 2.00 House-party. 2.25 Monday Matinee: "Joleon bings Again" starting Larry Parks. 5.16 Sinbsd Junior. 5.20 Crossroads. 6.00 Day by Day. 6.45 Dick Barton— Special Agent. 10.30 Southern News Extra. 10.35 Star Treatment. 11.05 the New Avengers. 12.05 am Farm Progress. ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . see R." Sunday Times. Mon. to Thursdays 8.30. Friday and Saturdays 7.00 and 9.15.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Looksround. 2.25 Family. 3.20 Generation Scene. 3.35 Cartono Time. 3.50 Lassie. 5.15 University Challenge. 8.00 Northern Life. 11.30 Winners and Losers. 12.00 pm. 12. ASTORIA THEATRE CC. Charing Cross
Road. 734 4291-438 8031. Mon.-Thurs.
8.00 pm. Fri. and Sat. 6.00 and 8.45.
ELVIS
EEST MUSICAL OF THE YEAR
EVENING STANDARD AWARD
SECOND GREAT YEAR.
Group bookings 01-437 3856.

CAMBRIDGE. CC. 01-836 6056.
Evgs. 8.00, Mats. Thurs. and Sat. 3.00.
TROUBADOUR
A new musical
THE BEST BRITISH PRODUCTION OF
A MUSICAL SINCE "CAMBLOT."
Breada Marshall Capital Radio.
CREDIT CARDS WELCOME.

1.20 pm Lunchtime. 2.25 Keep Up With Yogs. 2.55 The Friends of Man. 4.18 Utster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulater. 10.30 Mondey Night. 10.40 Hawaii Five-O. 11.35 Bed-1.20 pm Westward News Headlines.
2.25 Monday Matinee: "They Call it Murder." 5.16 University Challenge.
5.00 Westward Diary and Sports Desk.
70.28 Westward Lies News. 10.30
Country Style. 111.00 Monday Night Feature Film: "The Whisperers" starring Edith Evans and Eric Portman.
12.45 am Feith for Life. 12.50 West DUCKESS. 836 8243. Mon. to Thurs. Evenlogs 8.00, Fr.. 50t. 5.30 and 8.15. "The nuclty lie stunning." Dally Tcl. ON! CALCUTTA! Ninth sensitional year.

CLOBE THEATRE. CC. 01-437 1592.
Evs. 2.15. W.-d. 3.00. Sat. 6.00. F.40.
PAUL EDDINGTON. JULIA MACKENZIE
MEN JAMIN W-HITRO'
Alan Awek-rough's new comedy
TEN THES TARIS.
"This must be the happiest laughtermaker'in Landon." D. Tel. "An Irrasistibly
enloyable evening." Sun Times. GOEENWICH THEATRE. 01-858 7755. Evenings 8.00. Met. Sets. 2-30. The swert-whening play IIA by Hush Leonard. "It was a loy to see." D. Tel. "Enor-mously enloyable." E. News.

NIGEL
HAWTHORNE
ANGHARAD REES
ANG IAN OGLVY in
THE MILLIONAIRES
BY BERNARD SHAW

THEATRES

NEMBLEY ARENA 01-902-1231. WESTMINSTER THEATRE CC: 834 0283.
2.30 and 6.00. 353. 2.30 and 6.30.
2.55EPH AND THE AMAZING RECENSIONS OF DELAMCOAT. by Tig. 846

WHITEHALL, CC 01-930 5692-7765.
Monday to Thurs 3.00. Matiness Fright St. 6.15 and 8.45.

IPI TOMBI.

Buckling Black Airfran Musical.

"A pulsating musical. E. News.

Seat Prices E2.50 to 55.00.

FOURTH GREAT YEAR. WINDMILL THEATRE CC 01-437 0312,
Twice Nightly 8.00 and 10.00.
Simday 5.00 and 8.00.
FAUL RAYMOND presents
RIP OFF
THE EROTIC EXPERIENCE OF THE
MODERN ERA
Takes to propresedented illustrations

Takes to unprecedented limits permissible on our stage."
THIRD GREAT YEAR WYNDHAM'S. From 8.20 pm. 01-835
S028. Credit care high. 836-1071. Mor.
to:Thurs. 100. Fr. and St. 5.15. 8.20.
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Mary FUNNY "Prening News.
"VERY FUNNY" Prening News.
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"Sure-fire correcty on Sex 286 retailor."
D.T. "MAKE WITH
LAUGHTER." Generals.

YOUNG VIC. 928 6363. Ers. 7.45.
Mats Tomor & Time 2 Poll Woods
adaptation of Cart Brauery TALES.
But 2 Weeks Only From Jan 50. Evs.
7.45. John Otherse's LOOK BACK IR.
ANGER.

Jan. CINEMAS -TABL 1. & 2. SHAPTESBURY AVE. 835 8891: See, Perts. ALL SEATS BKGLE. 1 SUPERWAN (A) WR. & Som 2.00. S.00. 8.10. 2 DESTH ON THE BILE (A) WR. 3. Sun 2.00. S.00. 8.00 (Seet. 3 days).

Pube) 948 2.443 Ophone's EMBERS Or PASSION IX) Progs. 2.25, 430 6.45; 9.18 2nd West. CLASSIC 1 - Z S. Haymarket Picoddly Circus Tubel. 889 (7527) Elliott Gould, James Broili, Telly Sasabs CAPRICORN ONE (A). Cont. from 1245 pm.

CTPZON, Curzon Street. 39.1. 258. 3737. Pullice Noiret Appie Giradot, in CEAR TOPIC CO. (AA). (Institut Substituted Pas. 2.00 (not San). 4.08. 8.15. 4. 8.30. LEICESTER SQUIARE THEATRE (12.6 3/22.)
THE FIRST GREAT TRAIN ROBBERY
(AA). Pros. com, wit and Sim. 71.50.
5.00. 8.20. Sents bittle at Sim. 71.50.
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props Set & Sen. on Line Show booking

ODEON HAYMASKET (958 2735-2711) MIDMIGHT EXPRESS (2). Sen prost-DIV 2.50, 5.30, 8.30 pm, All sents bkble, Last 3 dens. CD-ON LEICESTER SOLLARE 850 5171. FORCE 10. FOOM RAVANCHE (A). SEP PROS TOOMY dOORS OPEN 4.30, 7.45. Last 3 days. ODEDN. MARBLE ARCH. 723 2011-21. FORCE 10 FROM NAVARONE (A). Sec. progs. dly., doors coes 1.30, 4.30. 7,45

PRINCE CHARLES, Letc. Sq. 377 STST. Waterien Economics The BEAST Looden & Seen Petts of Port Son. 3.10, 5.55, 8.35. Lete show Frit and Sat. 11,78, Ltd bar.

STUDIO 3, 2. S. Chrone Circus, 437 3300, 19 Ab 39, Star Cast in Robert Almen's A WEDDING (A).
Procs. 2.26, 5.10, 7.55; Ltm. show Set. 10.45; Agatha Christle's DEATH ON THE AMELE (A). Sep. Delty, dby. 2.00; 5.00, 2.00, 2.00, 2.00, 5.00, 4.55; About Set. 11.00, Seets biddle Mazursky's AM UNMARRISED WOMAN (C). Procs. 1.05, 3.30, 6.00, 3.35, Lee. show Set. 10.50, The same of the sa

ART GALLERIES

FREID BORNE GALLERIES 53 ORG Grove, N.W.S. Felebhone 01-1865 36 CONTEMPORARY ERVISEL ART. MO FM 10-6. Set 10.30-3 pag. FINE ART SOCIETY, 146, New Bood St. W.1. 01-629 5116, BRITISH ARTS 16th-20th Centery. FISCHER FINE ABT. 30. King Street, St. James's. S.W.I. 01-839 3842. MCXED EXHIBITION Including Heary Moore, Paul Rinet, Schlein, etc., Mon. Fri. 10-5-30. Sxts. 10-12-30. AGNEW CALLERY, 43 Old Bond St. W.T. D14EP 5178, 1060, ANNUAL WATER-COLOUR EXHIBITION, Until 2: February, Mon-Fri 9:30-5:30, Thus-infil 7. HAMILTONS 13 Carles Place, W71, Tel. 499-3493-1, Mon-Pri 9:30-5:30, Tel. 10-1; First comprehensive exhibition of Entities Attacks Attacks continues ontil Fabruary 10.

EVE. 1639, Repent Street, 734 SEED A 58 Carte or All-in Meers, Terrer Sectionalis, Floor Shows 1045, 1246 and 145 and number of Johanne Hamiltonian & Schools.

المكدامن التُصل

5.55 Nationwide (London and 6.20 pm Reporting Scotland 11.40 South-East). News and Weather for Scotland. 6.20 Nationwide.

7.20 The Rockford Files. 8.10 The White Tribe of News and Weather for Northern Africa. 9.25 The Monday Film: "Walk-about" starring Jenny Agutter.

Starring Jenny Agutter.

England—5.55-6.20 pm Look North (Leeds, Manchester, Newcastle); Midlands Today (Pinish Look)

6.50 Question of Sport.

11.00 Tonight. 11.40 Weather/Regional News. day (Southampton); Spotlight All Regions as BBC-k except South West (Plymouth). Songs of Praise. 3.33 Regional at the following times: News for England (except Wales—1.45-2.00 pm Pili Pala.

News for England (except London). 3.55 Play School. 4.20 2.18-2.38 For Schools. 4.40-5.03 It's the Wolf. 4.25 Jackanory. Bobol Bach. 5.55-6.20 Wales To-4.40 Playhouse. 5.05 John Craven's Newsround. 5.10 Blue News and Weather for Wales. Scotland - 10.00-10.23 For F.T. CROSSWORD PUZZLE No. 3,877

Actoss 1 Prepare to receive cash (3, 5)
5 Magistrate that is after 3 Formerly left to go abroad security (6)

9 Saucy result of ample art (8)

10 The right angle of selfpossession (6) 11 The mind of one with an idée fixe (3, 5) 12 Doctors surround the artists in the marsh (6)

27 An outlet surrounds this era

Down

with names of winners next Saturday.

of adventure (8)

4 Instructions show the way to a Cornish saint (10) 6 A school may be but not by the inmates (8) 7 Behold a system to ignore (4, 4)

8 Chief man in rising townin the marsh (6)

14 There is no return here to bachelor diet (6, 4)

18 Concerted sovereign (3, 7)

28 King Arthur's final resting place (6)

29 Frustrated—by alcohol? (8)

20 Frustrated—by alcohol? (8)

21 He was a citizen of credit and renown (6)

20 "They say — are past"

(All's Well) (8)

21 Good man has the right point of view to suppress (8)

22 Waggoners' Walk.

23 Frustrated—by alcohol? (8)

24 He was a citizen of credit and renown (6)

25 "They say — are past"

(All's Well) (8)

26 One turns with a cry of disgust—no more is needed (6)

27 An outlet surrounds this era

S Chief man in rising township township is standing out (8)

13 Urge on the carpenter to have a snack (3, 2, 5)

15 Good man has the right point of view to suppress (8)

Is gaoler needed for the women's quarters? (8)

17 I'm propounding what is impressive (8)

18 Island home of Odysseus (6)

29 The Muse of Comedy and the distinguist including 12.00 News.

20 The Muse of Comedy and the faithful from Rome (6)

21 Call to the faithful from Rome (6)

22 An outlet surrounds this era

Rome (6)

The solution of last Saturday's prize puzzle will be published with names of winners next 1 Doctor in prison-what a Saturday. The winners of last Saturday's prize puzzle will be published

LONDON 9.30 am Schools Programmes. 2.00 The Wotsit From Whizz-12.10 pm Sainbow. 12.30 The Cedar Tree. 1.00 News plus FT Index. 1.20 Thames News. 1.30 About Fritain. 2.00 After Plus. 3.20 Raffles. 4.20 Clapper-

board. 4.45 The Paper Lads. 5.15 5.45 News. 6.00 Thames At 6. 6.35 Crossroads. 790 Ken Dodd Laughter Show.

GRANADA 1.20 pm Dodo. 2.25 Monday Matines: "Sex and the Married Woman." 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Happy Days. 10.30 Reports Politics. 11.00 Mystery Movie: McCloud. 7.30 Coronation Street.

(S) Stereophonic broadcast
5:00 am As Radio 2, 7:02 Dave Lee
Tavis, 9:00 Simon Bates, 11:34 Paul
Jurnett, 2:00 pm Tony Blackburn, 4:00
Andy Peebles, 5:30 Newsbeat, 5:45
Kid Jensen, 6:31 Stayn' Alive, 7:30
As Radio 2, 10:02 John Peel (S), 12:002:02: As Radio 2.

RADIO 4

Ta.15 pm Waggoners' Walk. 12.30 Peter Murray's Open House (S). 2.30 Rey Moore (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.46 Sports Desk. 7.02 Muyle from the Dance Band Days. 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with The Best of Jazz on records (S). 9.55 Sports Desk. 10.02 The Monday Movie Quiz. 10.30 Star Sound. 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3
6.55 am Weather. 7.00 News. 7.05
6.66 Sports Desk. 10.02 The Monday Movie Quiz. 10.30 Star Sound. 11.02
6.75 Morrore (S). 8.00 News. 2.00-2.02 am News Summary.

RADIO 3
6.75 Morrore (S). 8.00 News. 8.05 Morning Concert (S). 9.05 This Weak's Composers: The Court of rederick the Great (S). 9.45 Talking About Music (S). 10.15 Britten and Seerle cong recital (S). 11.05 Music for Harpsichard (S). 11.06 Music for Harpsichard (S). 11.06

Archers. 7.20 From Our Own Corres-nondent. 7.45 The Monday Play (\$), 9.16 China and Ruselo: Two Roads from Revolution. 9.30 Kalsidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Great Divide, 11.00 A Book at Bedtime. 11.15 The Figencial World Tonight. 11.30 Today in Padiament. 12.00 Nows. **BBC Radio London** 

WESTWARD

YORKSHIRE

London Broadcasting
5.00 am Morning Music. 8.00 A.M.:
news, information, travel, sport. 10.00
Brian Hayes Show. 1.00 pm LBC
Reports 3.00 George Gala. 4.00 LBC
Reports (continues). 8.00 After Eight,
9.00 Nightline. 1.00 am Night Extra.

00 Feet First 8.30 World In Action. 9.00 Danger UXB. 10.00 News 5.20 Crossroeds. 6.00 Report West. 6.22 Report Water. 10.35 The Monday Film: "The Love Machine."
HTV Cymru/Wates—As HTV General Service except: 1.20-1.25 pm Penawdau iewyddion y Dydd. 2.00 Hamdden. 2.25-3.20 After Moon Plus. 6.00-6.22 Y Dydd. 2.30-9.00 Yr Wythnos. HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.22-7.00 Report West. The / Eamonn Andrews Show. 11.30 Rafferty.

12.25 am Close: Oliver Maguire reads from the Bible with a painting by Michel-All IBA Regions as London

except at the following times: **ANGLIA** 1.25 pm Anglie News. 2.00 House-party. 2.25 Monday Film Matines: "A Patch of Blus." 5.15 University Challenge. 6.0 About Anglia. 10.30 Feature Film: "Sarabas." 12.55 am

ATV 1.20 pm ATV Newsdesk, 5.15 Oh Nol It's Selwyn Froggitt, 6.00 ATV Todey, 10.30 Lett, Right and Centre, 11.00 Our People, 11.30 Barnaby Jones.

BORDER

11.20 pm Border News. 2.00 House-party. 2.26 Matines: "The Impossible Years" starring David Niven. 5.15 University Challengs. 6.00 Lookaround Monday. 6.20 Cartoon Time. 11.30 Pro-Celebrity Snooker. 12.15 am Border News Summary. CHANNEL 9.00 Monty Python's Flying

1.18 pm Channel Lunchtime News and What's on Where, 2.25 Monday Matthee: "They Call It Murder." 5.15 University Challenge. 6.00 Channel News, 6.10 Spidermen, 10,28 Channel Late News. 10.32 Country Style. 11.00 Manday Night Feature Film: "The Whisperers." 12.45 am Channel Gazette followed by News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampien News Headlines. 5.15 University Challenge. 5.00 Grampian Today. 5.05 The Electric Theatre Show. 10.30 Reflections. 10.35 Monday Film: "Licensed to Kill." 12.25 am Grampien Late Night Headlines.

1.20 pm Calendar Nows. 2.25 Family.
3.20 Heart to Heart. 3.50 Andy. 5.15
University Challenge. 6.00 Calendar (Emley Moor and Belmont editions).
10.30 Pro-Calebrity Snooker. 11.15
Twist in the Tale.

Northern Symphony Orchestre (S).
1.00 pm News. 1.05 BBC Lunchtime
Concert (S). 2.00 Music for Organ (S).
2.35 Matinee Musicale (S). 3.25 New
Records (S). 5.15 Bandstand (S). 5.45
Nomeward Bound (S), 5.30 News.
6.35 At Home: Toscaninl Conducts.
7.30 EBU Concert from Brusels, part 1
8.20 Misunderstanding Jung (by
Stephen Abrems). 8.40 EBU Concert,
part 2 (S). 9.30 Lord Denning at 80.
7.015 Bach: Brandenburg Concerto No.
2 (S). 11.00 A Time and a Piece.
11.30 Jezz in Britain (S). 11.55 News.

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop. Liston. 7.30 Black Londoners. 8.30 Breakthrough. 10.03 Late Night London. 12.00 As Radio 2.

12.05 Question Time from the House of Commons. 1.05—Close: As Radio 2.

> Capital Radio 6.00 am Mike Smith's Breaktast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). -7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 pm Nicky Home's Your Mother Wouldn't Like It (S). 1.00 Tony Myatt's Late Show (S). 2.00 am Peter Young's Night Flight (S).

MAPENDUSE Donner Thesira Crystel Corden Rev Ofice 376 Gains Paril Children Rev Ofice 376 Gains Paril Children Rev Ofice 376 Gains Paril Children Corden Gains Pariser And Hang OF THE GAO. Principles Hands of the Corden Corden Rev Office Troubles Forton Rev Office Fire Corden Rev Corden

CLUBS

## هكذامن التجهل

### THE ARTS

ICA Theatre

### The Warp by MICHAEL COVENEY

hour beer and coffee interval hour beer and coffee interval Phil is the sort of person who at 2.35 am. I proceeded from the can never reach one himself. ICA to the Tube station at He goes through a lot, amassing 8 am on Friday morning. I was experience on his travels, with tired but elated. One lighting women, in his interest in UFOs. cue went awry at 6.55 pm. At one point he becomes a Russell Denton as the hero, paranoid schizophrenic, unable Phil Masters, took his one and to escape from himself and Phil Masters, took his one and only prompt at 9 pm in the strangely grateful that his wife course of an astonishing per- finds happiness with his own formance which kept him before best friend. He becomes a us for all but five minutes of the duration; a chair came apart in Phil's hand at 1.20 am and a telephone rang on the wrong set at 6.35 am. I was present in the theatre for every single

ing platforms around a large pit of peat. The audience is mobile, squatting on benches and inhabiting vacant stages while the production team shifts scenery and properties around them. On high, a small rock band accompany the extraordinary saga throughout. After a prelude in 15th century Bavaria, Phil begins his quest for the truth and self-knowledge in a Torquay woodshed with a lustrious, naked nymphomaniac. The year is 1957 and, after an interlude in South Africa, he fetches up in the eccentric, bohemian world of Sam Widges, a Soho cafe where his developing enthu-siasms for poetry and jazz find startling release in an improvised session.

-42 Liblies

EATRES

. 1301 IG

THE PARTY OF THE P

Up to this point, the actors progress in clockwise fashion from one set to another, establishing the narrative quality of the exercise before exploding all over the place. As the lights change, we find ourselves travelling from one part of the theatre to another. Phil the theatre to annual dabbles with scientology in order to combat his "feeling another powerful ended to dredge up the global consumacy game. Because the show is so long and so large, and because it has been directed by that unparallelled magician of aternative theatre, Ken Campbell, it is smuggled some dope through a Paris paralysed by political demonstrations:

gees on, you begin to realise urgent mission only for cups of the exhibition: the Sleeping that much of it is a prefty sartea and raw onions; there is the Beauty is modelled on Madame castic lament for the hippie hapless acid freak who, in the culture of the 1960s. The basic show's most inlarious episode, XV,

the ICA at 10.15 am last Thurs reply, with an endless stream day. The Warp, a cycle of ten of extraordinary characters plays by the poet and painter appearing to out Phil right, Neil Orom, began at 10.45 am. take him on to meet somebody After 181 hours of theatre, two else or just haul him into bed one haur meal breaks and a half. There can be no conclusion for There can be no conclusion for Phil is the sort of person who finds happiness with his own best friend. He becomes a "magician of love," conducting a scientifically beautiful hypno-

sis trip for an admirer.

— M/C No. 40 8/84 TKH —

He runs an art gallery, attempts to animate a hippie community with a scathing word of the production. community with a scathing A company of about 40 actors attack on complacency while and musicians play over 200 arguing that there is no point characters. There are ten actattack on complacency while arguing that there is no point to a hippie lifestyle unless it "alters the psyche of the universe." The attempt, naturally, fails and, after attending a flying saucer conference in Ireland and encountering UFOs in the Brontes' Howarth parsonage, he sets off to Loch Ness to start up a centre where to start up a centre where "people can give birth to them-selves." The location is allegedly haunted by Aleister Crowley, and dark forces throw both his personal and ideologi-

anager

The musical direct camilla Saunders. The cast includes, memorably. Jim Broadbent, Steve Williams, Jolia Cappleman, David Hatton, Bill Nighy, Mitch Davies, Maggie Jordan, Pat Donovan. John Joyce, Maria Moustaka at the whole saga takes on the soap opera feel of something described as "The Acid Archers." Writing and costumes convey exactly the tone of the period, with characters giving out love and generosity he right hand estructed to the cast includes, memorably. Jim Broadbent, Steve Williams, Jolia Cappleman, David Hatton, Bill Nighy, Mitch Davies, Maggie Jordan, Pat Donovan. The cycle was given time nem restricted to the musical direct camilla Saunders. The cast includes, memorably, Jim Broadbent, Steve Williams, Jolia Cappleman, David Hatton, Bill Nighy, Mitch Davies, Maggie Jordan, Pat Donovan. The cycle was given time nem restricted to the whole saga takes on the soap opera feel of something the cycle, as the cycle was given time nem restricted to the whole saga takes on the soap opera feel of something the cycle, as the cyc destructively at each other with the left. Rachel oscillates violently between her upper-class background and Phil, eventually landing up in a lunatic asylum

ately afterwards, he receives replete with amazing interludes his first warning about scienard characters. In Soho, there tology from a nubile free-lover. Is Billy McGuinness, the orator tramp who claims to be God the piece is emphasised when and has returned to earth in Mr. Oram, in a marvellous bit order to pick up his long overoff alienation theatre, appears himself to recount how he pavid, a figure who exists, as smuggled some done through a somebody said somewhere he somebody said, somewhere between the worlds of Pinter and

disrupts a cafe by snorting backed beans and excreting sausages; there is the mystic greengrocer who serves customers in gobbledegook, but holds forth on UFOs with exact lucidity; there is the Bhagwan Raineesh in India, whose tranquil instructions are vigorously rejected by Phil; there are knockabout Turkish policemen, comic Chinese officials, Buck-minster Fuller, clowns and fireeaters, military art enthusiasts, a raging landlord (" I don't have any friends; just different classes of enemy") and a Jack Douglas-style postman who pops up everywhere with bad news for Phil.

When you consider that the whole project has been born of five months' work and four weeks' rehearsal, the actual achievement becomes more remarkable. As in his previous epic for the Science Fiction Theatre of Liverpool, Illuminatus! which lasted a mere eight hours, Ken Campbell has joyously melded elements of music hall, science fiction, story-telling, sex and adventure, in a piece of theatre that those who are lucky or brave enough to see it will never forget. It makes the rest of our so-called experimental theatre look positively wan.

The production manager is

Friday. Hurry: the world may soon divide into those who have those who have not.

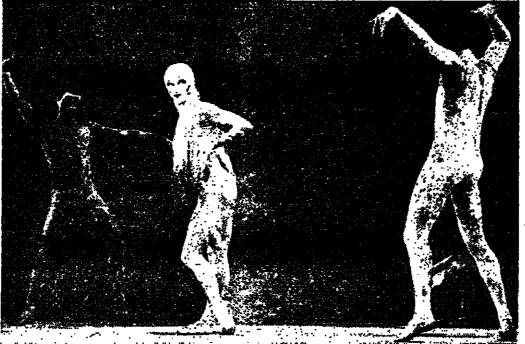
#### Tableaux at Tussauds

Madame Tussauds is reviving the tableau, a popular feature of the exhibition in Victorian designed by Julian Trevelyan Oman, opened it is week in a new display hall. The subjects old favourites of Tussauds, such as the Execution of Mary, Queen of Scots and When did you last see your

All the figures were designed tween the worlds of Pinter and with great attention to historical Gogol, bearing messages from detail, and include a wax cast As the show builds up and Orion and interrupting his taken from the oldest work in



Russell Denton and Tony Maples



Monica Mason in 'The Rite of Spring

Covent Garden

### Stravinsky ballets

by CLEMENT CRISP

less rather than more.

whose brevity results from

Lydian ballabile, perhaps, from Le Roi Candaule, or variations

from Kalkobrino or Les Saisons,

long since lost, but hinted, evoked, by a single inspired

Yet Scènes is not just an

exercise in distillation. It exists

more importantly as a glorious

response to Stravinsky's musical text, fixing its formal devices

and its orchestral qualities in

dances that seem forever fresh,

stimulating, astounding. Fri-day's performance, led by Jen-nifer Penney and Michael

Coleman, was attractive without

scaling any heights — and I feel that Scenes must attempt

just that. Penney, so easy and naturally gifted in movement,

gives the ballerina role an almost soubrette vivacity. (Re-moval of the black neck-band

Kolpakova in the role wherein

her pure Vaganova classicism

would epitomise and illuminate

the rigour implicit in Ashton's

Does no one care about aca-

brush-stroke of dancing.

"Stravinsky's music persistently lives in our theatre because the theatre is so alive in his music." Thus the distinguished critic Minna Lederman pinpointed an essential fact about Stravinsky in a celebra-tory symposium some 30 years ago. The triple bill which the Royal Ballet showed us on Friday night-Firebird, Scones de Ballet, The Rite of Spring-was continuing testimony to the truth of this observation. Firebird fades choreographic-

ally after the encounter of Ivan with the magic bird. We have moved so far away from Fokine's original, and I suspect that the text now offered by the Royal Ballet ria Grigoriev and Chernichova extends the distance, that the manipulation of Kastchey's hordes and the sweet evolutions of the princesses seem little more than choreographic small-talk. (Interesting, though, to see MacMillan repeating Fokine's idea of a line of dencers collapsing in sequence when Kastchey first appears by showing Rite's tribe of aboriginals folling backwards in a serpentine shape across the

stage.) What helds our attention now in Firebird are the luscious sonorities, the imaginative theatrical force of the score. which we transfer from ear to eye, imbuing the boringly lit and stiffly played stage action with the fairy-tale glow of the music itself. That the score was on Friday performed as if it were Minkus at his most leaden sky.
The Firebird of the evening

was Alfreda Thorogood, making her debut. She understands the bird's mystery—not? swan prin-cess in orange feathers, but a magical being—and her clear line,a moment of boldly unafraid grandeur when confronting Kastchey, were admirable. But we still need to see far more soaring leaps at her first entry so that the bird flashes high through the garden; an unidentifiable flying object to bedazzle the prince, rather than a talented danseuse launched into one of the most taxing of

Ballet, as I love the score, for its conciseness, its elegance, the way in which the extravagant paraphernalia of the 19th century ballet à grand spectacle is suggested in a few bars, a few less deep understanding — Time is concerned with man's and shorter work of the two, yet black and white to be quite to the choir's "Steal away."

makes for Ashton's finest ballet. inhumanity, to man, and his it poses great problems of con-comfortable. But in Saturday's NICHOLAS KENYON

Because the choreography has demic exactitude? The peasant a geometric inevitability (when boys in the Kirov Giselle lathe had finished creating a section, Ashton used to say: "Well: Q.E.D.") the dance incidents terly in Paris all perform such steps with clarity, landing in tight, unfidgetty fifth positions. Rite of Spring, in MacMillan's work themselves out with beau-

tiful economy. In other hands the invention in Scenes could version, is a no less intelligent and aware response to Stra-vinsky's inner theatre. The be puffed out to fill an evening, ancient ritual of its first stagand its effects then would be ings is no longer possible. The inspired use of Sidney Nolan as Scènes also has the most decorator-a reminder of the imaginative opening of any balgood old days when the Royal let I know: the diagonal of five Ballet knew that artists rather men spaced across the stage establishes a tone of poetic grandeur that is a flash of than specialist "stage de-signers" could bring something of value to the theatre-and choreographic genius. Each in-MacMillan's skill in delocalising cident thereafter seems a haiku th eaction without distorting the score, make for a work of cumuacute perceptions about the heart of things balletic. Not lative power. The first scene is a prelude; too fancifully one can see whole passages from Beauty, the cas-cading entries of Paquita, the

once the gold phallic tree, appears and Monica Mason is chosen as the sacrificial maiden, the ballet takes fire. Mason re-turned to her created role on Friday. In energy, musicality, and a dramatic intensity that hurns through her white-painted face, and speaks in every leap and pose of her body, she gives an utterly commanding, sensational performance. It has not, of course, been filmed for posterity, so future generations will have to accept the fact that it, is one of the most extraordinary interpretations in British ballet in 20 years, and wonder why we were so foolish and graceless as not to honour it with permanent record. In filmed performance future alen h admire the musical responsive-ness and dedication of prepara-

solute Colin Nears' entirely steadily with its boundless own time. excellent version of Pierrot novel invention. In the first Lunaire shown by the BBC 2 half we see some of the adventelevision on Saturday night. tures of Sinbad the Sailor (now Brogger, who is not after all dances. The corps of girls was Christopher Bruce's marvellous a wealthy Parisian, but given the pen-ame of the director to flashbacks), and in the and players of The Paranormal second, the tale of Ali Baba and double tours en l'air zealously. Ing commentary—are saved for the future. Hurrah.

tion brought by the corps de

ballet to this complex and

### The Marriage of Figaro

by DAVID MURRAY

Opera's new Figaro has now seen extensive cast changes, the general effect seems—as far as one may judge from the initial reviews—much the same. The Susana and Cherubino of Lillian Watson and Sally Burgess remain the most fully and attractively realised characters; Miss Watson's "Deh vieni" is as lyrically charming as her Figaro's amorous pleading, minutes later, is heavy and graceless — John Tomlinson's large, pleasant voice is still very plainly used. Dennis Wicks' Bartolo is ripe with cur-mudgeonly distaste; his rapid patetr is hobbled by all those consonants in the Dent words,

two to every Italian one. The new conductor is David Sutton, but he has surely inherited his tempi from Sir Charles Groves-it is statistically improbable that an opera house should have two conductors who believe, independently that Figuro should go as slowly as this. The overture raced too hard for the comfort of the orchestra, but thereafter the recitatives were unconscionably thought that Mozart had made drama heavy weather of bte jokes. The

Though the English National arias enjoy more orthodox treatment, though both the new Countess, Eiddwen Harrhy, and the wind section sounded tried by the stately pace of "Porgi amor." Miss Harrhy rose more confidently to "Dove sono," or rather sat and rose again—she does not now deliver it entirely from her armchair, but only touches down arbitrarily in midsong. The quantity of sitting in Jonathan Miller's production has been widely remarked, and most of what movement there is is singularly tame; a dearth of

Peter Knapp is a competent Count, with a touch of the John Cleeses, but some things in the role lie outside his range: menace, ardour — his glazed repetitions of "O joy past all expressing!" were eerie—and the lower notes. Angela Bostock makes a dignified, sharp-eyed Marcellina, not quite easy with her aria yet; Terry Jenkins' Basilio has taken the measure of his, and makes a positive contribution whenever he appears. All in all it is a respectable cast, and if this is a bland, slow-motion Figuro at dragged out and the ensembles least it elapses in handsome, sadly lacked brio-with the resourcefully lit settings. A sextet one might almost have generous injection of musicodramatic pace could do wonders

#### Shaftesbury

## 1001 Nights

by B. A. YOUNG

"I've got work to do," said all that happens. The tales the lady with the black lipstick, dusting my hair and climbing across the orchestra pit to the stage. Le Grand Magic Circus is one of those companies that inhabits a theatre before the

show begins. Jerome Savary, writer and director of this version of the classic tales, is a serious artist. who chooses to present his ideas through the medium of the circus because in France the circus is still a-living tradition capable of presenting ideas simply and forcefully. His knockabout productions are the equivalent of Brecht's plays where songs and banners are interpolated to ensure that even the least literate audiences will catch on. In 1001 Nights he gives us some of his message with only a light disguise; Aladdin, who has lost every-thing and become no more than a penniless foreigner in a

strange city, cries out for more belief in fantasy (the spirit of Peter Pan perhaps haunting the justice is represented as unjust

take many unexpected twists; Sheherazade, for instance, has brought her book of stories with her to the Sultan's bedchamber, but a lapse of memory compels: her to consult it. The Sultan naturally takes it from her, and having sent her to join all the previous wives in the abattoir. he settles down to read them for himself. There is a good deal of political reference (the dialogue and lyrics are partly in French though mostly in English, occasionally in Spanish or German). The roc is the familiar eagle of the United States; and quickies about such topical events as rail-strikes litter the speeches.

Scenery and costumes by Michel Lebois and Michel Dussarrat respectively, are lavish, even if they do seem to belong in the circus-ring more than the theatre. There is a splendid camel. On a larger scale, there is New York, one of Aladdin's gifts to his bride conjured up for him by the theatre still—"Clap your hands genie There is even the Eiffel the seven the seven the the seven the sev Tower. But time and again we return to the little Paris street pony and head into the choreography. The street of the graphy: it is a disastrous, guillotining decorator's caprice.) But I would like to see Irina Kolpakawa in the street to dispiriting, let me laughing fairly to the little Paris street where we began, hauling us relentlessly away from the world of wonder and imagination to the little Paris street where we began, hauling us relentlessly away from the world of wonder and imagination to the hard-hauling us relentlessly away from the world of wonder and imagination to the little Paris street where we began, hauling us relentlessly away from the world of wonder and imagination to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving important performances in the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began, hauling us relentlessly away from the serving to the little Paris street where we began to the little Paris street where we began the l

> I must apologise to Mr. Erik-Hopeless to try and recount enchanting show.

#### I love Ashton's Scènes de Festival Hall

### **London Choral Society**

steps, which capture the very two choral works dealing with chance of survival as a truly sistency:

performance under David essence of the classic ballet, mankind's fate on the largest human being, Brahms' Schicksal—Tippett's more complex and Atherton, many of the colours that the colours possible to the colours by the state of the classic ballet, mankind's fate on the largest human being, Brahms' Schicksal—Tippett's more complex and Atherton, many of the colours that the capture the very mankind's fate on the largest human being, Brahms' Schicksal—Tippett's more complex and Atherton, many of the colours possible to the colours of the classic ballet. so stylishly brief a form — inspired, so it seems to me, in
both composer and choreographer by deep love and no
secure made up Saturally slied is preoccupled with the extended piece has, by contrast, were softened into shades of
uncontrollable forces which a piercingly simple message, grey. Soprano Yvonne Kenny
shape man's destiny. The and it is one that these days gave the account its tone in
grapher by deep love and no
evening, Tippett's Child of our
shape man's destiny. The and it is one that these days gave the account its tone in
grapher by deep love and no

ments of supporters from

big visiting clubs, who expect

comfort and are prepared to

the Albion will celebrate the completion of their ground improvements in the First Division; but they must stand

a good chance. Even more

important, if they make the

breakthrough, they have the

Stoke were relegated after 14

consecutive years in the First Division, and their talented side, which won the League Cup in 1972, was sold. Now in

their second season of Second

Division football, their new

It is too early to say whether

pay for it.

talent to survive.

### **SPORT**

RUGBY UNION BY PETER ROBBINS

## Wales seize last-minute victory

feature of the match on Satur-

converted by Fenwick, five minutes from time.

match last season, so well did clearance kicks from the Welsh they play in the first half, "three-quarters.

The principal reason for this "Wales had no one of Irvine's and half-time came not a performances.

year's international championship are as gripping as Scotland's against Wales, then we are in for a scason of enjoyable suspense.

It is often said that rugby is for the players to enjoy, and that second. The most satisfying the spectators finish a poor feature of the match on Saturations. The match on Saturation is suppersured by the spectators of the match on Saturation is suppersured by the second second. The most satisfying the spectators finish a poor feature of the match on Saturation.

Rutherford, too, did considerable damage with his accurate feature of the mater on saturated was that both factions managed simultaneously to enjoy themselves.

The final bliss belonged to the Weish who won 19-13, with Holmes scoring the winning try, converted by Fenwick five

Rutherford looks a real find ninutes from time. and was not over-awed by the
It is debatable whether to assembly of greatness opposite play with the advantage of the him. He has a quick, economic half-backs.

elements in the first half. On pass and his understanding with Irvine's brilliant try, following ements in the first half. On pass and his understanding with balance, I think McGeechan was McGeechan and Irvine was

IF ALL the matches of this change was the performance of pace and dash, but what they moment too soon for Wales. Fenwick played a lead year's international champion their half-backs, Lawson and the had were 15 solid workhorses. Fenwick played a lead were 15 solid workhorses. Not that they were passive in the first half, but their passing behind was short of rhythm and frankly their pack had scarcely achieved the dominance entitling the team to indulge the three-quarters.

Their superior scrummaging began to show, but elsewhere they met some stupendous close defence from Biggar—who has never played better—and Deans

and Hay.

The Welsh forwards could never develop that massive surge, and so Holmes and Davies were quite unable to regulate the tempo of the game. is customary with Welsh

his two penalties, gave Scotland 

Fenwick played a leading part in the final stages of the Welsh revival, first by kick-ing a penalty and then resisting two tackles so that J. P. R. Williams had an overlap for Rees to score.

That made the score 13 points apiece, and it had been a remarkable recovery.

Rugby has its causes and effects, and given that extra liberty, Holmes began to run and re-discovered his accuracy of passing. The wind, such a close ally in the first-half, became an implacable foe, and it was Davies's turn to use it behind the machine-like pack. It was only a question of time before Wales took their winning

opportunity.
Wales look favourites to win

Brave Scotland have already wick converted.

Brave Scotland have already atoned for last year's despairing SOCCER BY TREYOR BAHLEY

improved or are still improving. A fascinating struggle for promotion has already de-veloped, with no fewer than 11

sides still interested in the out-One important reason for this is that the Second Division has the pick of most of the

best young managers in the country—men whose playing careers have ended recently, and many of whom have been outstanding club captains. Mullery of Brighton, Durban of Stoke and Venables of Crystal Palace are three examples.

gent, trendy and ambitious who know that they have to more sophisticated methods of produce success if they are to claw their way to the top of what must be about the most what must be about the most success if they are to attack.

Although Brighton's manager, higher admission charges to the two of the recently relegated terraces than most, have been teams, West mand New-insecure of all highly-paid pro
what must be about the most success if they are to attack.

Overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that two of the recently relegated to the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the Second, if overall match receipts, despite would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second would be well to remember that the top of the second fessions.

number of teams which have full - blooded, indifferently refereed battle on a heavy pitch. It ended as a 1—1 draw, which was probably a fair result, with both goals the product of defensive errors.

The conditions suited the visitors better than Brighton, who lost much of their pleasing style and rhythm in the mud, especially after the interval when the surface was churned

One gained the impression that some of their passes and moves were too ambitious for the circumstances. It was noticeable at the other end that the high ball directed at Stoke's They are the new breed of tall, powerfully-built centre-manager—articulate, intelliforward, O'Callaghan, caused more defensive problems than

and their failure to adapt, the

UNLIKE the First Division, Saturday, Stoke and Brighton football they play would prove taken up by season ticketwhere the overall standard has and Hove Albion, now occup- a considerable -asset should holders, and there are not dropped noticeably, the Second ing the second and third posi- they achieve their ambition sufficient to satisfy the require-Division contains a remarkable tions in the table, fought a and join the elite next season. The directors of Brighton, a

team which has never reached the First Division, and to whom the Second constitutes something of a novelty, have wisely decided that amenities at their ground have to be improved so that they may attract support on the scale needed to survive if they are promoted.

As a result, their Board is about to embark on an ambitious building scheme, costing over £1m. It will double the seating capacity, increase the covered area, and introduce that new money-spinner, company boxes.

One of Brighton's problems manager, Alan Durban, could is that while they have been well be taking them back.
regularly drawing home gates in However, before becoming

At the Goldstone ground on imaginative and entertaining shortage of seating. Most are turn.

excess of 20,000 — very good too excited by what is happen-for the Second Division — their ing at the top of the Second, it The reason has been the strongly for an immediate reMonday January 22 1979

## Strikes and the law

strikes in the past few weeks ment to compel a continuance can be regarded as the con- of work in situations where sequence of two events—the national end of three years of a fairly rigid incomes policy and the If that explanation is correct, any case the Government has the present industrial crisis is not the ideal time in which to be considering long-term which unexpected groups of changes in the role of the trade workers can create national unions and in the collective emergencies suggests that this

Yet the impact of the strikes on the public, however shortthat either the present Government or its successor will be obliged to tackle these basic issues once again. Ironically ment introduced its White Paper, "In place of strife," partly in response to a number of crippling unofficial strikes in the motor industry.

#### Great damage

In the ensuing decade several things have happened. First, groups of employees have shown an increasing readiness to oursue their demands for a relative improvement in earnings in ways which cause considerable disruption to the community. The use of industrial muscle by the miners in 1972 and 1974 has proved infectious and the number of groups which are able to inflict great damage on the economy has grown; in several cases the action has been initiated not by national union officials, but by local

Second, the methods used to the action effective, especially picketing, have be-come more aggressive. Third, the improvement in plant-level industrial relations which the Donovan Commission called for in 1968, mainly through more effective grievance procedures, has not materialised. Wildcat strikes and other forms of unconstitutional behaviour are just as common as before. The TUC and individual trade unions have shown neither the will nor the ability to deal with the problem. In the meantime damaging inter-union rivalry

workers in certain sectors or of curbed.

emergency a national

threatened. Donovan and others change of leadership in the have argued that U.S. expericountry's largest union, the ence with the Taft-Hartley Act Transport and General Workers. is not encouraging and that in adequate powers to intervene. Nevertheless, the ease with workers can create national possibility must be looked at again, perhaps in conjunction with new forms of pay deter-mination in the sectors concerned.

A more fundamental proposal

to make strikes more costly and more risky for those who parenough, it is exactly 10 years ticipate in them. It seems ago that the Labour Govern- absurd that the ability of employers to resist a strike should be weakened by the payment of tax-free benefits to strikers by the Government. But even if Mrs. Margaret Thatcher's suggestions on this point prove practical, they will not effect the short unconstitutional stoppage. In any case other forms of sanction such as the go-slow or work-to-rule can often be more damaging than a strike. So the familiar question returns-can workers be forced to stick to procedure through legally binding agree-

Donovan, reflecting the views of most industrial relations practitioners, believed that the introduction of the law would not lead to more orderly collective bargaining. It is certainly difficult to see how legally binding agreements - or anything else for that matter– could transform our poorly staffed and decentralised unions disciplined industrial unions on the American or

German model. Yet the Donovan Commission did say that if its proposed reforms did not reduce the number of unofficial strikes, the case for giving some legal support to procure agreements would have to be reconsidered; these would generally be in-plant or incompany agreements.

. It would be unrealistic to suppose that our industrial relations problems will be quiet over these developments solved by the introduction of -and trade unions' awareness the law or by curbs on national of it-is such that new legisla- trade unions, whose leadership tion stands a better chance of seems increasingly irrelevant to success than the Tories' Indus-what is happening on the shop trial Relations Act of 1971. But floor, While their influence on what should such legislation legislation and their legal immunities are excessive, the One possibility is to restrict central issue is not so much the right to strike, particu- trade union power as the prelarly in industries supplying valence of forms of behaviour esential products and services, which impose intolerable bur-This could take the form either dens on the community. It is of a statutory restriction on this behaviour which has to be

### The Japanese trade surplus

THE ANNOUNCEMENT by the Europe and the U.S. by sectoral Japanese Government last agreements. Friday, that its policy of voluntary restraint on exports would lapse at the end of March, was somewhat different reasons. The Japanese Ministry of International Trade and Industry (MITI) took the view that the upward movement of the Yen had already proved so effective in curbing exports that the voluntary restraint programme had ceased to play a meaningful role. U.S. officials say that they have never had much faith in voluntary restraint of exports, but continue to believe that an increase in Japanese imports is the right way to tackle Japan's structural trade

#### Revaluation

On the first point, it is certainly a fact that the revalua-tion of the Yen has been biting into Japan's export performance since the middle of last vear. While the trade surplus remains very high in dollar terms, it has started to fall in growth target is officially set at both volume and Yen terms. In only 6.3 per cent, and most the second quarter of last year experienced observers in Japan export volume was down 2.7 per regard this as an optimistic over cent on the corresponding statement, and expect that it period of 1977, and in the following quarter by 3.8 per cent. It is not easy to For the current fiscal year, as a reconcile the low-growth target whole, ending in March, Tokyo with the forecast that the curexpects the Yen value of exports to be below the 1977 level.

Yet doubte appears the technique of the current account surplus will decline
for Y2,700bn in fiscal 1978 to Yet doubts remain over the Y1,400bn in 1979. significance of the announcecials point out that the volun-tary restraint pledge was never East Asia, like Korea and Hong announce the end of it now?

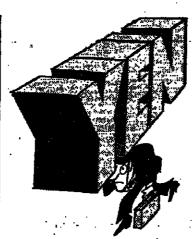
The British government has long felt that the UK is a particularly vulnerable market for certain Japanese exports, played down by officials in and the question which may Tokyo, as well as by their coun- legitimately be asked is whether terparts in Washington, but for the advance warning of the end of the general export restraint scheme heralds a corresponding change in these sectoral

On the import front, the Japanese government certainly taken some steps to rectify the situation, but it is difficult to say that these steps are yet adequate. In the latter part of last year, the govern-ment announced a \$4bn emergency import programme, but it is already admitted that this target will not be met by the end of the fiscal year.

At the same time, the Japa-

nese Government announced last September a £6.7bn economic package designed to boost domestic consumption. Yet the fact is that the current year's growth is falling substantially below the 7 per cent target to which the Government pledged itself in Bonn last summer, while for the new fiscal year the

All the recent increase in ment from MITI. Japanese offi- Japan's exports has been to the intended to extend beyond the Kong, and it is looking to the current fiscal year, but in that new market opening up in case why was it necessary to China. But is is clear that the mounce the end of it now? long-standing Japanese trade
Within the broad umbrella of surplus is not about to disappear the voluntary restraint pro- unless the government takes gramme, exports of a number more energetic measures to of sensitive products such as stimulate growth at home, and cars, television set, ships, steel may well give rise to further and hall-bearings are limited in tensions with the older indus-particular overeas markets in trialised countries.



## A guide to businessmen's costs around the world

BY FINANCIAL TIMES CORRESPONDENTS

### PRICES COMPARE IN STERLING

	Rate of	-		Restaurant	House				5 km	1	Rate of	×*	Restaurant	House	$(+, \cdot, \cdot, \cdot)$		in the Colo	5 km
City	Exchange	Index	B&B	Dinner	Wine	Whisky	Beer	Snack	Taxi	City	Exchange Index	B&B	Dinner	, Wine	Whisky	Beer	Spack	··· Taxi
Tokyo	Yen 370.625 ·	133	41.01	26.98	8.09	2.70	1.48	6.75	2.70	Athens	Drachma 72.382 66	32.12	5.18	0.69	0.83	0.48	7.18	0.83
Paris	Fr.8.4675	132	56.10	14.17	2.95	2.01	1,53	. 2.95	2.36	New Delhi	£Rupee 76.28 65	23.34	3.07	1,1.06	1.23	LII	1.23	0.49
Dubai	UAE Dirham 7.55	120	49.54	13.25	7,28	1,32	7.06	3.97	1.32	Tel Aviv	Israeli £36.89 64 *	27.76	8.13	1.22	0,84	O.43	1.22	1.35
Brussels	B.Fr.58.05	118	42.98	14.30	7.75	2,07	7.46	4.30	2.41	Algiers	A.Dinar 7.531 64	22.04	7 <i>9</i> 7	3,98	2.66	1.04	1.99	1.33
Abu Dhabi	UAE Dirham 7.55	116	47.68	11.92	6.62	1.06	1.06	3.05	0.93	Budapest	Forint 36.33 (tourist) 64	26.97	3.03	1.38	2.20	0.83	0.83	1.10
Frankfurt	DM3,7075	116	43 <i>A</i> 3	12.14	5.39	1.35	1.08	4.05	4.05	Dublin	£ 63	27.00	8.00	2.25	0.40	0.42	7.50	7.20
Manama (Bahr'n	) Bahrn. Dinar 0,755	110	48.34	9.93	3.97	1.14	0.79	3.97	1.32	Singapore	5\$4.28 62	25.00	7.01 -	-4.57	.1.05	· :0.47	1.17	0.70
Copenhagen	D.Kr.10.27	109	43.21	13.25	4.77	1.17	1.36	3,89	292	Warsaw .	Zioty 62.23 (tourist) 62	26.95	3.21 _	5,62	0.90	∵ •0.39 ′′	1.72	0.32
Geneva	Sw:Fr.3.20	103	40.62	9.37	2.81	3.13	0,94	3.75	3.13	Panama	Balboa T.967 61	23.89	5.08	4.07	1.01	0.63	7.01	2.03
Jeddah	Saudi Ryal 6.51	102	43.62	13.82	0.77	0.77	0.77	4.61	Q.37	jakarta	Rupiah 816.305 60	23.16	8.90	4.07	1.19	0.89	7.02	1.02
London '	£	100	46.50	9.00	2.75	. 0.35	0.35	2.00	2.50	Nairobí	K.Schilling 14.4572 59	24.42	6.82	3.89	0.64	6.32	1.23	7.09
Kuwait	Kuwait Dinar 0.533	98	48.78	11.26	0.47	0.47	0.47	88 <b>.</b> .r	1.43	-Kaala Lumpur	Ringgit 4.3025 58	20.73	3.72	9,30	0.81	0.65	0.93	0.47
Nassau	Ba.\$1.967	97	44.81	10.17	3.56	7.32	1.03	2,03	2.03	Rome	Lire 1,649.25 58	25.16	8.19	0.67	0.42	0.30	1.82	7.09
Amsterdam	Guilder 4.005	95	40,20	13.73	2.99	0.87	0.62	2.00	2.50	Damascus	Syrian £7.7205 58	27.96_	4.07	1.92	0.76	0.76	7.53	1.53
Stockholm	S.Kr.8.5387	93_	34.55	14,63	5.27	1.08	1.50	`2.46	2.58	Madrid	Peseta 139.45 57	23.31	5.38	1.15	0.32	0.39	1.80	1.08
New York	\$1.967	92	37.72	7.69	2.31	1.02	0.76	2.54	2.03	Birmingham	£ 56	23.25	5.00	2.50	0.35	0.35	2.00	2.00
Osio	N.Kr.9.860	91_	31.44	11.66	7.61	3.23	1.52	· 3.55	3.04	Vancouver	C\$2.3065 , 56	22.98	8.24	2.17	0.56, .	0.35	1.30	7.95
Lagos	Naira 1.2673	90	33.14	11.84	6.31	0.79	0.95	3.55	3.16	Toronto	C\$2.3065 .56	22.33	<b>. 7.80</b>	2.60	0.76	0.48	1.19	1.73
Houston	\$1.967	88	37.87	10.17	4.32	1.02	0.64	2.03	2.03	Tunis	T.Dinar 0.794 54	27.10	7.00	0.70	1.50	0.35	· 2.00 ·	7.00
Rio de Janiero	Cruzeiro 38.54	87_	28.54	12.97	2.08	2.08	0.39	3.11	0.65	Port of Spain	T.T.\$4.7208 54	17.74	3.81	1.91	0.42	0.25	0.83	1.48
Vienna	Schilling 27.195	83	33.83	5,33	1.84	1.84	1.47	2.20	2.21	Cairo	Egypt_£1.36 (tourist) 52	23.75	3.68	2.94	0.74	0.51	1,47	0.55
Luxembourg	L.Fr.58.05	79	24.98	_ 13.78	1.38	1.21	0.86	3.45	1.38	Rabat	Dirham 7.70 48	18.44	4.54	1.56	0.91	0.52	2.27	1.04
Taipei	New Taiwan 70.812	78	24:21	17.79	1.34	1.25	1.34	1.24	0.97	Wellington	NZ\$1.8547 48	18.47	8.63	2.70	0.35	0.40	1.35	1.62
Los Angeles	\$1.967	77	36.48	7.12	2.03	0.81	0.64	1.78	1.53	Johannesburg	Rand 1.7109	20.16	6.14	1.81 -	0.32	0.35	1&1	1.46
Chicago	\$1.967	76	33.30	9.15	3.05	0.64	0.51	1.27	1.53	Dar-es-Sajaam	T.Schilling 14.655 48	17,74	4.78	4.78	0.82	0.52	1.71	1.36
Khartoum	Sudanese £1.03	76	25.98	10,37	9.04	1.54	1.44	2.72	0.51	Mexico City	Peso 44.93 43	19.36	3.34	1.22	1.11	0,49	1.12	0,67
Helsinki	Markka 7.810	76	26.12	11.52	4.61	1.43	1.41	1.92	2.56	Karachi	P.Rupee 19.4225 42	21.88	1.80	0,18	0.93	1,29	1.03	0.52
Atlanta	\$1.967	74	37.88	8.13	3.30	0.81	0.56	1.65	1.35	Belgrade	NewY.Dinar 36.9613 35	12.85	3.65	0.87	0.73	0.32	1,21	:: L&2
Amman	J.Dinar 0.573	72	33.68	4.36	1.40	0.96	0.52	2.00	0,70	Colomba	SriLanka Rupee30.486 34	13.61	2.46	4.10	0.49	0.39	0.66	0.82
Sydney	A\$1.7055	72	29.90	9.09	2.35	0.53	0.73	2.35	1.29	Lisbon	Escudo 90.45 34	12.99	· · 4.42	0.66 - 🗠	111	. 0.55	0.99-4,	. D.77.
Moscow	Rouble 1_30	68	34.62	7.69	2.31	0.92	0.38	0.77	1.15	Nicosia	Cyprus £0.7060 34	14.52	2.83	0.57	0.57	0.35	1.42	×8.85°
<u> </u>						(local)	_			Salisbury		10.70	5.50	2.02	0.59	0,27	0.92	<b>3.47</b>
Montreal	C\$2.3065	- 68	25.25°	10.84	2.82	1.0g	0.65	1.52	2,60	Peking	Yuan 3.2326 32	15.93	6.19	0.77	0.12	€ 0.15	0.77	9.77
Hong Kong	HK\$9.41	.67	27.74	7.97	3.19	0.64	0.53	1.91	0.53				- 125 V	1.5	. (local).	~	. <b>3</b> →	14 5
+1 -1 -1 -1					<del></del>			<del></del>										- <del>- 1</del>

The index is based on the sterling cost of three night's bed and breakfast and two a la carte dinners in a first class/international category The index is based on the sterning cost of three inguity of the line, two snack meals, one 5km taxi journey, half a litre of beer and five whiskies. (There are anomalies relating to the ava Arabia and Kuwait, and for wine in Pakistan — the indices in these cases will be unavoidably low.) In spite of changes in the sample size (66 this year, 67 last), and method, the consistency of the information is shown by co to be found there this time and the bottom 15 are similarly compatible. This year Tokyo has emerged as the most expensive business centre, slightly ahead of Paris. Europ the chief drain on the company business travel bill.

London's ranking has risen once again. There are only ten cities where the bu Exchange rates are as published in the Financial Times on November 14, 1978.

HE sharp contrast in the sterling. Two years ago, London cost of living in the two dominant capitals of the Far East—Tokyo and Peking—is graphically revealed of where it was cheapest for in the latest Financial Times executives to carry out business. survey of those costs likely to be incurred by the travelling

businessman overseas.

The new survey of 66 business centres throughout the world, based on information collected from FT correspondents overseas and published in book form later this month, has seen Tokyo move up rapidly from the 15th most expensive city to the most expensive from the businessmán's point of view.

The survey shows that to stay in Peking—which is likely to be visited by an increasing number of Western businessmen following the relaxation of trade barriers—is cheaper than any other major city in the world. This is the first year that the Chinese capital has been. included in the survey. London has continued to

become a more expensive place for businessmen to stay, reflecting both a rise in hotel charges and the strengthening of

was 38th in the world rankings and very much the "bargain basement" of Europe in terms

Last year, however, the cost of staying in London rose sharply to push it into 14th place—just ahead of Tokyo— while this year it has just stayed outside the "top ten" but moved into 11th place.

The gap between the top and bottom of the price comparison.

culated on the cost of bed and taxis also taken into account.

232 to 58 (Abu Dhabi to Cyprus). Some anomalies are bound to

While the increase in sterling that such cities as New York considered good). are now relatively cheaper for the UK businessman, the increase in most continental currencies against sterling has had the reverse effect. Two years ago New York was the second most expensive city in the world when London was 38th. It is in 16th position this

a three-night business trip, cal- traveller normally tries to find similar standard of accombreakfast in a first-class or modation wherever he goes in international category hotel, the world as well as tending with dinners, snacks, drinks and to eat traditional European taxis also taken into account. This year the index ranged drinks rather than experiment-from 133 for Tokyo to 32 for ing with foreign delicacies. But Peking. Last year the spread such standardisation is not, of was from 160 to 35 (Frankfurt course, possible in practice, to Nicosia) and the year before The restaurant meal quoted in to Nicosia) and the year before unlikely to be the same stan-

produced a breakdown of dif- cultural mores. ferent costs. This may help companies to decide whether it is worth while investing in private accommodation in cities their executives visit frequently. Although there is greater uniformity than ever before this

Moscow as costing £7.69 is year in the level of expenses that the businessman is likely dard as the £14.17 meal in a to incur, the differences in occur, if only because what is Paris restaurant; nor is the standards, customs, and methods

be bought in Brussels (although the guide FT correspondents against the U.S. dollar has meant both by local standards are were asked to provide back- from overseas want to come to onsidered good). ground information on those Britain to transact business. When comparing the relative customs about which the inter- they should be aware that overall costs of various cities - national traveller should be apart from our own

dation in London accounts for a be taken in Middle Eastern- in our survey and where the relatively higher part of the countries, where the Moslem cost of staying is about half total figure. This can make religion has strict rules on eat—what it is in London bottom of the price comparison as again narrowed, in spite of a number of shufflings of individual positions. The index is based on the index for each city is based on assumption that the business trip, california and the position of the price for food and services expected in an additional positions. The index is based on the in some countries than would appear from the index. However, the FT book. Living as a greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes both short and long as greater deterrent than fear includes and line in the long and line in the long as greater deterrent than fear includes both short and long as a long as In less developed Middle

Eastern and African countries, communications, consumer especially in areas outside the goods and entertainment as well main cities, businessmen are as general information on 68, usually advised not to faunt major business centres in the their affluence, especially large world. It also rovides an india foreign cars. For women busi of weekly and daily costs ness travellers the potential exclusive of accommodation. hazards are more numerous— with dress a particular problem In some countries, for

example, women executives

described as "first-class" can Israeli wine costing £1.22 a of doing business still vary travelling alone could face diffi-differ markedly from country to bottle likely to be of the same substantially in different parts culties getting a taxi or hiring country. The country is the £14.30 bottle to of the world. When complising a car.

according to the index figure fully aware. sustoms—they could make subfor each city—it is useful to
most people are by pow stantial cost savings by staying
note that the cost of accommoconscious of the care that must in Birmingham which is 19th.

Copies from the Financial Times, Book Sales Department, Minster House, Arthur Street, London EC4R SAX

## MEN AND MATTERS

#### Outlook: minus two degrees

Americans are as obsessive about the weather as we on this side of the Atlantic. Their radio and TV weathermen be-come celebrities — one New York exponent changed his name to Storm Field as an aid to stardom. So the sad fate of "Doctor" Bob Harris has caused, as one might say, a deep depression.

Doctor Bob arrived on the bigtime weather scene two years ago. He was hired by WCBS, an all-news around-theclock station, as resident expert. His easy, mellow style and highly accurate forecasting won such renown that last July he was hired by the New York Times to handle its weather column. In commending him to the readers, the paper stressed not merely his degree in meteorology, but his PhD in geophysics.

Last week, Doctor Bob was unmasked: he does not have any degrees at all. He was sum-marily dismissed by both the New York Times and WCBS. The sorry tale has some disturbing implications for the professional weather fore-casters. Doctor Bob got it right at least as often as they did.

#### Spice island

appealed to trading standards back." officials, because the Greek National Tourist Office in Regent Street has put a ban Wider view on exhibiting his publicity brochures for being "too The company, Sunmed, mentioned that there are parts of Greece where nude bathing is popular; but its worst offence was in describing the island of Mykonos as being a favourite destination for homosexuals.

For the national tourist office, that was too much. The believes that Nazism is still a better, one would surely go to Summed brochures have gone menace in some parts of the under the counter, to be pro- world, and is too serious just Centre in the Highlands. She



"The TGWU are better than advertising."

duced only when specifically asked for. Sunmed, which deems itself eminently respectable, has the Westminster standards department for a ruling. Head-scratching has resulted: whereas action can be blithely embarked upon against companies telling lies, there is discriminations for honesty.

Sunmed's managing director. Victor Fatah, put his case to me: "The truth may put some people off. but in the end if they find they are dealing with also distributed a leaflet ex-A London tour operator has an honest company they come

Some advice on how to look at should be diverted to regional history was offered to his compatriots yesterday by Simon which Sinn Fein might get Wieseothal, chief of the Jewish Documentation Centre Vienna. Addressing a meeting in London, he urged: "We should stop talking about 6m Jews murdered by the Nazis, and talk instead of 11m people, relations persons who might 6m of whom were Jews."

be equated with anti-Wiesenthal is in Britain seeking support for his campaign against the proposed enactment of the Statute of Limitations in

West Germany. This will end-trials against former Nazis. He told me that he fears the Eastern Bloc will publish, right after the anactment, lists of war criminals they will claim to have just found. "This will be a welcome diversion from their own problems, and will create unrest in the West, where millions were victims of the Nazis or had some relative who was." Wiesenthal forecasts gloomily: "The whole world could be affected by such accusations."

#### Erse entry

Money is at the root of the efforts begun last week by Sinn Fein to put up candidates at the impending elections to the European Parliament. The party, descendant of the political arm of the IRA, is appealing for funds from the Community to fight constituencies both in the Irish Republic and Northern-Ireland. But it must find some way around the ruling that such some doubt about the legal posi-tion when somebody allegedly parties with at least one representative in the current European Parliament.

A 30-strong delegation. led by Sinn Fein president Tomas Macgiolla, has visited Strasbourg to press the case for money. It plaining its view of the EECwhich the party has castigated in the past. A main plank is that all funds currently spent on the Common Agricultural Policy and social funds a point on embarrassing British support.

have expressed their messages Glenda Ward, at the Aviemore

is organising a rave-up for next Friday, which happens to be Australia Day—Glenda comes from Perth (the one Down

"I wasn't expecting to find any other Australians when I arrived in Aviemore," she says in a handout. "But the place was crawling with them."

#### Better at home

A plaintive note reaches me from the offices of the Soviet News, ensconced in that haunt of the proletariat, South Kensington. It says that the bulletin, mouthpiece of the Soviet embassy, has not come out since November 28 "owing to an industrial dispute in which it is not directly a in-

Equally sad is an apology in the latest issue of Labour News, distributed late because of the form because of problems with the printers.

One must say that Pravda never seems to have such troubles: there are ways in Moseow of making the comrades spread the word on time.

#### Nuclear notion

If the devil has the best tunes. the Left seems to come up with the best slogans. Something called the Big Red Diary 1979 (perversely, it is small and yellow) bears on its cover this message: "Better active today than radioactive tomorrow."

#### Knees up

In these difficult days, rest assured that the spirit of Merrie England is still being catered for. Yesterday in Blackpool, the 21st International Slipper Faira footwear trade show-introduced latest styles: among the cowboy boots from Spain and the feminine fashion boots from everywhere, a Halifax firm produly displays its line in clogs for Morris dancing teams.

Observer

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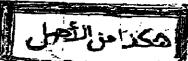
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## FINANCIAL TIMES SURVEY

Monday January 22 1979



## ARAB CONSTRUCTION

Construction spending in the Arab world is reaching a peak in real terms. But the size of the market remains colossal—as do the operating problems—and there is now a demand for more sophisticated construction work, which favours western and Japanese contractors

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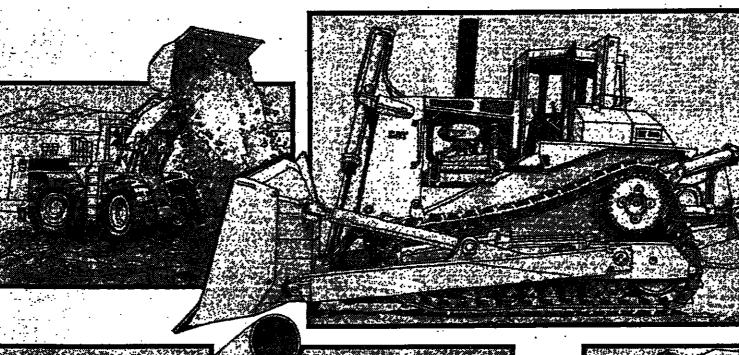
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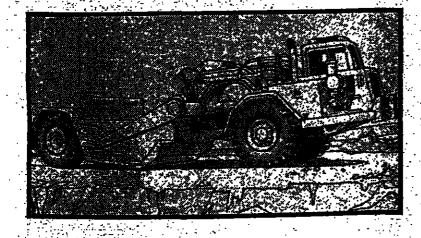
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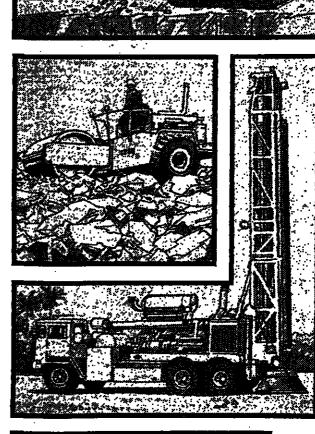


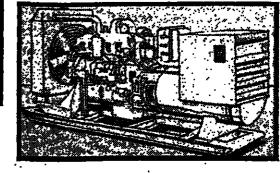


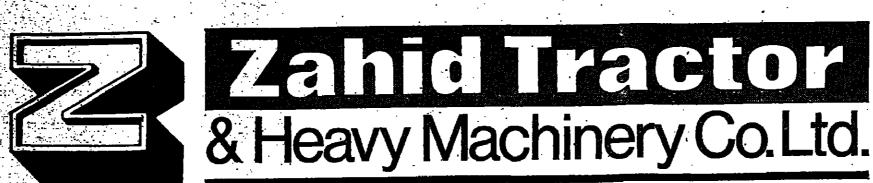












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P.O. Box 579, Al-Khaldia Area, Tel: 26559/22593/22595. Tix: 601080. sively growing phenomenon that changing. While the building

it was two to three years ago in boom in the smaller Gulf States the wake of the 1973-74 oil price has undoubtedly peaked, this

rise. It is likely that public and has yet to happen in Saudi

As each State reaches a different stage of development the

requires changes. Spending on

basic infrastructure is slowing

down in the Gulf States but is being partially replaced by tech-

nically more complex work in

process plant of different kinds

stations or desalination plants.

In Saudi Arabia some of the big contracts recently let or put

out to tender are for such pro-

jects as the gas collection scheme in Eastern Province, the

crude oil pipeline to cross the

peninsula and a desalination/ power generation complex for

A couple of well-known points . . .

about ! Aiddle East construction insurance

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to suit any construction project.

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In some parts of, the Arab

ing difficulties finding new work and facing intensifying inter-

world contractors 'are seeing

projects coming to an end, hav-

national and indigenous compe-

tition. But that does not mean

that the construction cranes are

standing idle in the Middle

East: some cities may now look

more mature than they did two

years ago, but others are still

vast construction sites. The sheer volume of work in pro-

gress is colossal; according to

one estimate — by Plantecon Overseas Research—public and private sector spending in the

Arab would excluding the

Maghreb, Sudan and the Yemens

last year totalled nearly \$22bn.

Spending is at a peak but the

for just over half this figure.

in

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For the Construction Industry . . . The Most Dynamic Marketing Opportunity of the '80's

## The Third Middle East Construction Exhibition

January 20 to 26,1980, Jeddah, Saudi Arabia

Two highly successful major internnational construction exhibitions in Dubai have established the Middle East Construction Exhibition as the region's foremost marketplace for new and replacement equipment, materials, services and technology.

In 1980 the Middle East Construction Exhibition moves to Saudi Arabia - the Middle East's construction market of

Over the past five years private and public project expenditure in Saudi Arabia has increased more than fivefold. In 1977 alone it totalled \$22 billion! Every year the figure rises. In surround-

and 'Middle East Architectural Design'.

ing countries the story's the same: Iraq, Egypt, Kuwait, the United Arab Emirates are all committed to multimillion dollar programmes for new towns and cities, seaports, airports, roads and railways, housing, hospitals, offices and hotels. Projects that cannot commence without technical expertise, equipment and materials from the rest of the world:

Guarantee your company's share of the most dynamic construction market in the world. Post the coupon below now for details on the Middle East Construction Exhibition and present availability of space.

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The construction boom has peaked in the Gulf Stafes because governments virtually ran out of worthwhile projects, private sector spending on con-struction rose only slightly last year and may in real terms, taking inflation into account, have to Plantecon. Meanwhile a concatching up with or, as in the struction boom is only just get-ting underway in North Yemen and Sudan. case of Oman at the entrance to the Gulf, overtaking their income. The resulting cutbacks and credit restrictions usually caused a slump in the property market, knocking the private sector construction boom on the head. So while Abu Dhabi, for instance, is spending more money than ever on its official development programme this year, it has also put a ceiling on future spending, said it will be commencing almost no new projects and has banned new private construction, Kuwait has cut its development budget by 1 per cent for the current year. a substantial drop taking infla-

tion into account. Saudi Arabia is different because the size of the country calls for a greater amount of infrastructure, while the finan-cial resources are inevitably Jubail worth at least \$2bn. In enormous. But even here there rate at which new contracts are North Yemen and Sudan, on the have been occasional moves to being issued is — in the region other hand, the construction slow the rate of spending, while

CONSTRUCTION IN the A'rab as a whole — slowing down. needs are still very basic: roads, there were cash flow problems world is no longer the explo
The Arab construction scene is airports, bridges, etc. which affected contractors for part of 1978 (due to lower than expected oil output), and prolikely to follow much the same pattern, while Iraq, where expenditure is still short of income and needs are still substantial, could continue at a high

level of activity for longer. under way in the nin-oil exporting states and the volume of "Do the Koreans make construction is necessarily much money? Sure, some of them and, no less important, remit-tances by workers in the oil States are creating their own momentum. In fact construc-

The change in the nature of the market has naturally affected the developed countries, whose construction companies set out for the Arab world in droves after 1973-74. Some of the British companies which did . the even more testing but more durable Saudi market. Some British companies are leaving about 100 companies of different nationalities have lately left Abu Dhabi. As harbour build- the lowest bid only when it ing work begins to dry up. the meets the specifications. Dutch, witheir speciality dredging, are in some cases feeling the pinch. On the other hand West German and American companies, with their emphasis the change of direction in the

Taiwanese have more experi- consulting engineers drew up ence in civil works contracts the specifications.

Because of their lower cost discipline of their labour, conjections drawn up by Plantecon tractors from the Far East have show a small drop in construc- made inroads into fields which tion spending (in fixed price western countries used to regard terms) by 1981. Libya appears as their own preserves. There as their own preserves. There have been howls of anguish from western companies at the low bids often put in, but their is little evidence that, except in the case of the very occasional loss leader, such contracts are The boom was slower to get taken for their foreign exchange

big but demanding market

smaller, but the inflow of aid make money," says James and, no less important, remit- Nelson vice president of Bank of America in charge of con-Middle East and Africa. tion spending in Jordan is estimated to have been more than twice as fast that of Saudi the Arabia last year.

This content of Arabia last year.

This content of Arabia Last was a lousy price to a Western company but it's often satisfactory in the context of a Korean contractor's cost structure," he says.

With competition so intense, Arab countries are in many cases in an even stronger posiwith contractors, and somesuch as Saudi Arabia and Algeria-are becoming capable so well in parts of the Gulf— Algeria—are becoming capable, especially Dubai—may now be hard driving construction wishing they had also gone for managets. Saudi Arabia tends to farm out the handling of its biggest contracts to large com-— such as the region altogether-indeed Aramco, Parsons and Fluorwho provide a surrogate bureaucracy and tend to take

The Saudi Government itself, while not switching away, ni principle from either the fixed price contract or the acceptance of the lowest bid-principles on high technology capital almost universal in the region— ecuipment, should benefit from i snow inclined to hold on to i snow inclined to hold on to the two or three lowest bidders' bid bonds and then negotiate a yet lower price, so that, as James Buchan reports from Jeddah, the final price bears This change put some limit little resemblance to the origion the market penetration both nal bid. The fixed price con-ments has become smaller, of indigenous Arab contractors tract is of course far easier to Sometimes contractors have -who receive favoured treat- administrate than any cost plus ment in most States—and Far arrangements, and whether the exercise of officials power, Eastern construction companies, client is well served by the sometimes, in the case of a other than the Japanese, since lowest bid principle depends to relatively small British comthe South Koreans and a large extent on how well the pany, from too low a capital

India and Pakistan are tackling can easily use about a dynamic the revaluation of the Saudi rival to perform effectively, cope with electrification work in Saudi field like construction—the and the Gulf currencies; but enormous problems and make region is still very difficult to these currencies are, sub-

structure at home and the rela- STRUCTURE OF THE CONSTRUCTION MARKETS IN 12 SELECTED MIDDLE EAST ECONOtive cheapness and Prussian MIES 1977 AND 1978 PUBLIC AND PRIVATE SECTOR EXPENDITURE, IN CURRENT SEC. POR

	٠.		·	7.10	1977	4.00			19	78.
\$ mil.		Construction Equipment Used +	£	Constanc- tion	Other Expenditure (design, labour	Cons Expen	Constr. Expendi II- ture	Popt latio	Expend	i- over
Country	New		All	Material	profits etc.)	<del>'</del>	per Capita			
Bahrain	44	14	- 58	120	142	320	1103	0.3	259	(19)
Egypt _	148	42	196	690	.833	1713 -	44	38.0	1182	(31)
Iran .	490	185	. 675	2440	2190	5305	154	34.0	3873	(27)
Iraq	305	61	366	1150	1234	2750	225	12.2	3355	22
Jordan	27	8	35	135	150	320	114	2.8	422	32
Kuwait `	. 86	21	197	425 -	488	1020	1020	1.0	1071	5
Libya	189	64	253	720	460	1433	562	2.5	1247	(13)
Oman	66	- 13 `	79	214	190	483	322	1.5	382	(21)
Qatar	53	10	63	210,	188	461	2095	0.2	309	(33)
Sandi		-	<del></del> .				V			
Arabia	841	357	1198	4290	4902	10390	1300	8.0	11845	14
Syria	54	18	72	243	315	630	79	8.0	523	(17)
UAR	225	65	290	780	890	1960	2279	- 0.9	1235	(37)
TOTAL	2528	858	3386	11417	11982	26785	247	109.4	25703	(4)
Plantecon ing mecha describes	ncial,	e "construc (petro) ch	ction e iemical	xpenditure L electrica	" as contain l, etc., instal	ing " br lations.	icks and r	nortar" ne mon	only, ie etary as	abstract

Source: Plantecon Overseas (Research)

costs, is almost everywhere a hing of the past. On the other tractors, hand manpower provides a con-tinuing headache, especially in Saudi Arabia last year in the face of a clampdown on illegal immigrants, while there were also extended payment delays attempts to rein bacg spending to meet cash flow constraints. Contractors there are highly dependent on their bankers' size of Saudi mobilisation paysuffered from the capricious

work in. The problems are stantially devalued against the changing, however: for example, port congestion, which
once produced frightening uncertainty about supplies and
certainty devanted against the
Deutsche Mark and the Japanese
yen. Saudi contracts in particular are denominated in
certainty about supplies and German and Japanese conforeign exchange fluctuations in general have eroded many con-tractors' profits.

#### **Emphasis**

easing, even in Saudi Arabia, it should stand such a compa is becoming more difficult for good stead for the next few new contestants to enter that or years. Mr. Nelson believes as the degree of financial sup-flexible in everything, from port western countries give design to the source of supply, their contractors have become Arab world. Still, the colossal of some contracts has scale posed difficulties for banks, official credit agencies and like a multinational be globally insurers in guaranteeing the sums at stake. But the emphasis rather than high technology. If the Arab construction emerged in the past year or so in the construction field in the from another labour from a However, contractors from world is becoming more stable is over foreign exchange. The Arab world is now, more than third, raw materials from a these countries as well as from — mature is not a word one foll in the U.S. dollar has led to ever, on the contractor's ability fourth, depending on global.

Now, according to James Nelson the level of profitability is "decent" for the good operator. "The company that did well in 1974-77 was the company that was entirely selfsufficient, set up with its own shops for making repairs," he says. The skills acquired then that companies must be highly flexible in everything, from not necessarily automatically turning to their home base for procurement "The successful Middle East just has to think minded—perhaps taking finance from one country, equipment

It was possible to make very large profits in the initial boom

### International competition

## The East-West battle

throughout the Arab world is interested. not new, but the intensity with which the battle for business is now being conducted has taken many people by surprise.

In the space of 12 months, talk of the "threat" posed by contractors from South Korea, Japan and Taiwan, bas given way to first-hand accounts of contracts lost to them.

Relative newcomers to the region have apparently spared up work previously considered beyond their capabilities—and while the better-established contractors attempt to extract comfort from their belief that the brash interlopers cannot be making any money, the new arrivals continue to clean-up.

Contractors are failing to win the type of work which, until recently, they may have been tempted to regard as their own, or at least as belonging to a small circle of specialist operators. The Unich can speak of dredging contracts won by the Japanese, the British con tell of road or industrial plant projects snatched by the South Koreans and the Americans, too, have seen work taken from under their noses.

Any conversation with a search of foreign earnin British contractor in the Middle labour-consuming work. East inevitably centres on the But whatever happen strength of the competition they now confront. His comments are usually tinged with a hint of desperation which comes from knowing that his company can build just as well, if not better, and can build as fast as any competitor-but that it is left hopelessly adrift when it comes to contract price.

### Threat

The South Koreans-widely regarded as the major threat to the previous order—are conup to 25 per cent. In some cases the gap is claimed to be even greater.

As their experience grows, the Koreans are beginning to labour-intensive schemes which until recently have been their

Names like Hyundai, Daelim and the Korea Overseas Con-struction Corporation have some British, no longer bother

with the expensive business of tion among international civil bidding for work if they know engineering contractors a Far Eastern competitor is

Now, the South Koreans seem as capable of tackling electrification programmes and oil storage plants as they do houses and sewerage projects.

The descriptions of army-type organisation and discipline are correct and few competitors have found it possible to criticise the standard and quality of their work, though recently there have been reports of some waning in enthusiasm for Korean contractors on the part of some clients.

The Koreans' competitors, with a fairly plentiful amount of wishful thinking thrown in, point out that the situation may soon change. They emphasise that much of the Asian's success stems from low labour costs and that as the economy of South Korea itself improves, these will rise steadily and remove at least some of their competitive advan-

In addition, other contractors point out that a fairly substantial development programme at home will mean that the South Koreans, in particular, will be less able to spare the construction capacity which until now has readily been sent abroad in search of foreign earnings and

But whatever happens, the Koreans' influence is already a major factor to be confronted. According to Mr. Michael Foster-Turner, project manager on Taylor Woodrow's Sheraton complex in Bahrain, the Koreans are winning substantial volumes of business and at prices which, he reckons, make

"We could do the jobs they are taking on just as quickly.
just as well and at the same price, but we want to make

"A lot of American consulsistently under-hidding on a tanks are moving into the region which also gives them a major boost." he says.

Still in Bahrain, Mr. James O'Brien of Higgs and Hill says the Koreans' programme of mar- Italians (Grand du Lavori and take an interest in higher tech-ket penetration on the island Lenzi); and the nology projects and are depart-bas been impressive: "They Kalis and HBG), ing more regularly from the took on the big dry dock scheme. Companies such here to prove themselves and they put everything into it. Rotterdam hope to raise their They have not looked back since already extensive programme of and now take on all types of activity in the Middle East

work.
"They are apparently just as become as common on site happy with smaller scale financial capability will enable boards as those of any of the developments, such as apart them to compete on equal terms other major civil engineers and ment blocks, as they are with with the biggest civil engineers. many contractors, including ports and harbour complexes." it would be wrong to assume these

PROSPECTS FOR CONSTRUCTION AND EQUIPMENT SALES IN SAUDI ARABIA AND THE GULF COUNTRIES

Item		1977	Arabia 1981 J.S. \$m :	1977	states 1981 prices)
Construction expenditure (and private)	public	10,390	8,950	4,243	2,922
Total annual construction equipment market		1,198	1,368	710	552
Sales of new construction m	achinery	841	919	478	346
Parts and sales service	· ·	198	269	128	711
Used equipment sales Source: Plante	econ (O	159 verseas) H	180 Research		95

that the South Koreans and some of the British contractors stantially represented.

Some Western countries have long historical connections with able to offer the widest range particular Arab nations—for of design, engineering and conexample, the British in the Gulf, struction skills and all-importhe Americans in Saudi Arabia tant finance. One joint venture and the French in North Africa.

But other countries without such as Bechtel, Fluor, Hudson, traditionally strong links have moved in successfully on the parsons.

The West German contractors, Capacity regarded as excellent organisers, have capitalised on their close relationships with banking and industry to win some sizeable contracts, such as the Philip Holzmann-led consortium to enlarge Saudi's Damman port complex. The Germans are also strongly represented in Libya and Iraq. 🐇

Among other nationalities ranking high in hte Middle East civil engineering league are wide range of works by anything and favouring the Koreans, the Yugoslavs (notably Energoprojekt which ranks among the world's top ten contractors); the Greeks (Joanna and Paraskevedes and Archirodon); the also have the advantage of being Lenzi); and the Dutch (Bos Companies such as the newly-

formed Volker-Stevin group of region and believe their newly-enlarged management and A characteristic of many of

their other Far Eastern neigh- is the readiness to form conbours are the only major force sortia or joint venture operain Middle East construction tions in order to undertake which are worth mentioning some of the largest contracts. The truth is that the region has Leaders in this type of approach attracted the biggest and the must be the Americans, who best of the international civil have concentrated an enormous engineering and building world proportion of their total Middle and few of the major indus. East construction effort in the trialised nations are not sub biggest single market of them. higgest single market of them all-Saudi Arabia.

The American companies are

Brown and Root is working on port construction in Iraq, and Bechtel is managing a natural gas plant construction programme in Algeria

As a measure of the Americans' copacity. If was amounced just before Christmas that SABCO, the Saudi Arabian subsidiary of Bechtel, is to manage the construction of the E1.5bn Riyadh international arport. SABCO will work with three American architects in developing the 300 sq. km. site. U.S. contracting companies.

able to deal with very complex process plant which can generate further substantial

ample the £200m oil refinery contract at Jubail, in Saudi's Eastern Province, for Texaco

But whichever nationally is involved, all the contractors in the Middle East are faced with the same long, often dainting, list of problems which make up work in the Middle East region Apart from some tough physical conditions in areas offering poor communications and unreliable material supplies, the contractor has to confront problems of inflation slow payments, sub-contractor risks and all the other financial, logistical and political difficulties which may or may not arise.

Mr. James Nelson, a London based vice president of the Bank of America who has in the past spelled out the numerous prob-lems associated with contracting in the Middle East, recently came up with yet another potential pitfall for confractors foreign exchange.

Mr. Nelson, whose remarks were principally directed at the Saudi market, said that rethe Sandi market, said that re-cent discussions about the up-heavals in world money mar-kets and the westchess of the dollar had focused many people's attention on the prob-lem of foreign exchange risk but that, while observers had ben preoccupied with the posiof the Saudi-rival had received ss attention.

Mr. Nelson pointed out that the rival had devalued by more than 10 per cent against the Deutschmark and by 20 per cent against the Javanese yen in the past 12 months. Mr. Nelson fells Borritying stories of contractors who have lost up to half their anticipated

profits on a contract because of their failure to cover themselves against the foreign exchange risk. His advice con-sider potential shifts in foreign currency rates when preparing a bid and choose a way of hedging against foreign exchange risks possibly by arranging a forward purchase arrangement with a bank which effectively fixes the relevant

Michael Cassell





### Manpower

## No bed of roses

THE LABOUR market for all countries are not relying so grades of construction workers heavily on Western skilled in the Middle East is not what labour. Neither are Western in construction projects level construction boom. ling off in the wake of lower The harsh enviro

the oil crisis, which lifted the development aspirations of the nesses in indigenous skills and costs and substantial inflation. Its inability to find sufficient numbers of ordinary labourers to cope with ambitious develop-Arab world exposed its weak-

Though the situation has now eased in comparison with the eased in comparison with the the recession confronting many early days of the boom, many of domestic construction industhe oil-rich nations will cer-tainly continue to rely on muti-national workforces to oversee and undertake their which rarely show their heads development. the oil-rich nations will cerdevelopment.

The extent to which many Abilities

their own. Abu Dhabi has still cannot provide from within about 40,000 labourers working in the construction industry and the population of the population o the population of the United Arab Emirates as a whole now actually choose to continue to rely on the citizens and 80 per cent experience and expertise of foreigners. They are clearly outsiders.

The recruitment and organisation whilst essential them are directly or indirectly involved in the current phase of development.

Bahrain's construction programme has led to a trebling Many client nations have of the number of skilled become alarmed at the scale of workers and technicians to over the influx of personnel recorded 30,000 and Saudi Arabia is now in the past—their concern estimated to be employing as centring on the numbers of commany non-nationals as citizens struction operatives pouring in

year plan, Saudi may well need have already taken steps to a further 500,000 expatriate reduce the incoming labour workers by the early 1980s—tide, a development which has creating a situation in which the most recently tended to happen country—employs—more without any outside help.

skilled labour required for con-supplying labour to the Arab

here

it was three or four years ago, expatriates quite so keen to with the vast influx of foreign seek employment in the region nationals required to participate as they were at the start of the

The harsh environment and well-publicised social restrictions in certain countries managers, craftsmen, semi-have discouraged substantial skilled and unskilled labourers numbers of people from began almost immediately account. numbers of people from par-ticipating in Middle East contracts, as has the realisation that high salaries are more than ever been offset by high living

ment programmes. As a result, can still offer young managers the big recruiting drive began far more responsibility than they could ever hope for at home-particularly in view of

another is easily shown.

Dubai is beginning to gather of personnel in many Arab large numbers of Asians who states has risen significantly in their own. Abu Dhahi has the past five years but many arab their own. or quality of manpower re-sources required and, in fact, actually choose in many cases

tion of labour, whilst essential to development programmes throughout the Arab world, has not however been a story of uncomplicated success.

of its own (about 1.28m). rather than on managers and To carry out its next five skilled workers—and several rather than on managers and

country employs more without any outside help.
foreigners than Saudi citizens. At the asme time, some
Until recently, much of the government in countries struction was provided by states have themselves begun to expatriates working for Western complain that their countrymen contractors but now Middle East deserve better treatment and

now imposed fairly strict condi-leave and offer free medical evidence that compactors in the tions (when compared with the free market in Indian labour accommodation to each and alternative labour markets, such as Pakistan, Sri Lanka and employers must meet if they expect to receive permission

to export labour. Under their regulations, introjobs, the figures set down and capable of adjustment by the been criticised internally by countries.

Indian) have been forced to live The construction labour market has also been a target for unscrupulous agents whose Indian Government. Employers Indians who believe that they Conditions have varied enormalisms and the construction labour market has also been a target for unscrupulous agents whose conditions have varied enormalisms.

Free transport to and from Bangladesh. work is also laid down as a precondition of employment and the employer must also ensure duced early in 1978, workers that a minimum 10 per cent of must receive at least basic rates his employee's salary is sent

better conditions when they take up employment overseas.

The Indian Government, perhaps more than any other, has more than any other, has provide 30 days a year paid of work and there is already

Bangladesh.

But the Indian Government's many employers providing a concern must be considered to be justified in the light of conditions under which many labourers (not exclusively Indian) have been forced to live the construction labour.

But the Indian Government's many employers providing a range of facilities equal to any at home, defying the conditions and location in which people often have to work.

The construction labour

involved.

They range from the clean and comfortable to the sort of standard no Westerners would be likely to tolerate and although most major international civil engineering con-tractors maintain good standards of accommodation and food, few of them would expect labourers from their own countries to tolerate such con-

#### Standards

By contrast, standards for European staff seem to range from good to excellent, with

mously, relying on standards quick profits for themselves. Koreans, in particular, have an laid down by contractors as often leaving large numbers of immense reserve of skilled manmuch as by any individual defenceless and naive immigovernment, and according to grant workers without the work the nationality of the workers they were promised and with no have been trained through way of getting home.

> national labour scene has more recently improved. With the rush to assemble and ship as many workers as possible nations desperately short of manpower now over-Indian agents, for example, now send a few hundred at a time, although recruits were once counted in thousands—the situation now bears little resemblance to the one which existed a short time

Much of the labour force is still, however, imported by individual contractors. Some, such as the South Koreans, Cypriots and Greeks prefer to bring their own labour with them from home and to maintain a militarystyle working regime while others import operatives from their beyond national boundaries.

The by-now familiar South

Middle East. Skilled workers Government work and the army It is true that this somewhat itself which produces about distasteful aspect of the inter-

The Korean Overseas Development Corporation and the South Korean army release volunteers willing to work on construction projects abroad. They are offered an early discharge, trained and organised into disciplined and efficient teams and live in construction camp sites not unlike the ones they left behind at home. During the early 1980s, Korea says it hopes to export as many as 500,000 workers to the Gulf region.

The pattern is not quite so clearly mapped out for the Western contractors, who generally prefer to employ a Western nationals, although management recruiting is usually (though not always) restricted to their home country

Michael Cassell

### Consultants

## Little room for complacency

IF BRITISH contractors have made a name for themselves throughout the Arab world, the efforts of UK consultants associated with construction work have been no less successful or noticeable.

In 1977-78, the earnings of professions related to overseas construction, such as consulting engineers, architects and surveyors, reached an estimated £380m against a figure of little more than £30m at the start of this decade. Overseas work in hand on which UK consultancy services are involved has now topped the £25bn mark and their operations have a significant effect on this country's balance

of payments. effort has in the past few years been directed at the Middle East, where home-bred design and consultancy skills have been as thin on the ground as firstclass contracting ability. The British have, in many res-

pects, capitalised well on some long-standing and friendly relationships with certain Arab states and they have often been instrumental in ensuring that developing countries have chosen to adopt the best of British standards, practices and philosophy, all well-tried and tested in the home market.

a significant force in Iraq where at least two dozen architectural practices are now working.

In the consultancy field, UK practices have been particularly strong in the development of health and education facilities, the planning of new towns, commercial centres, shopping complexes and markets, offices and housing.

#### **Extended**

The largest consultants have built up large teams of personnel, experienced in every aspect Inevitably, much of their of planning for every type of construction project.

> Now, as basic infrastructure builds up in many client countries, the consultants' work is being extended more regularly to include recreation, sport and leisure facilities.

As a result of rapid urbanisation, many Middle Eastern countries are showing increasing interest in this type of development and the British consultant has again been winning some significant business

particularly well in the United consultancy services and, as because it is continually changArab Emirates and Saudi Arabia with the contractors again, coming.

Arab Emirates and Saudi Arabia with the contractors again, coming.

British expertise in design and give more positive and direct potential particular. each client operation was divided between and to their consultants than petition is now at its peak. "In particular, each client operation was divided French and Italian consultants country is different, not only different organisations. have been very successful in in stability, language, customs North African markets because and receptiveness to British of their traditional links in the people, but in the conditions of region, while U.S. consultants contract it imposes, methods of predominate in Saudi Arabia, negotiating and appointment, specialising in defence pro- costs of working credit-worthijects, oil-associated develop- ness, visa restrictions and credit ments and multi-discipline controls." package deals, such as inter-

Neither should UK consul-tants become complacent be-cause of their previous good marketing organisations should record, according to a report be established to bring together origin, as is the case with published towards the end of manufacturing civil contractors 1978 by the National Econo- and consultancy services. mic Development Office.

today actually comes from ning export work. In contrast, overseas. But it also stressed it said, the UK style remained the tough nature of the competition they faced and made and improve their position.

Among its recommendations, national airport design—for the NEDO report said that sultants of other nationalities example the £1.5bn Riyadh air-public and private sector design had been engaged. port contract which has just organisations should increase gone to SABCO, a Bechtel co-operation in promoting the export of British design services

The report cited examples The report gave a big pat on such as France, West Germany, the back to British design and Holland and Japan, which, it consultancy services for their claimed, had progressed much overseas efforts and pointed out further in adopting an ment level (monetary, diplothat the bulk of their workload "umbrella approach" to win-matic and political), which hap-

It reaffirmed its belief in the several recommendations which value of individual enterprise it believed could help maintain and the impartial service provided by consultants but em-In the words of the report phasised the important role to Britain is not alone, however, "the overseas market situation be played by concerted effort in

" individualistic."

As the report pointed out, the overseas is, despite their imby UK contractors and manufacturers as they make market information available and provide opportunity or encouragement which might be denied if con-

A recent report from the Economist Intelligence Unit shows that the type of back-up assistance available to consultancy services varies widely according to their country of contractors.

#### Difficulty

Hèlp can range from direct promotional activity at Governpens in the U.S., France, West Germany, Japan and South Korea, to personal pressure by well-established local contacts.

As the report pointed out, one problem in following up work in the Middle East is the difficulty of knowing to what extent other consultants are being sponsored. British consultants have done in providing the full range of has enormous variety, not least exploiting the UK's export Some Western Governments

aid to their consultants than Britaiu.

The French Government, in presence of British consultants particular, may openly favour the sponsorship of one particupartiality, beneficial to exports lar firm of consultants to

another. The UK's policy, for consultants and contractors alike, has been to provide the same information and guidance for all and let them follow leads by themselves.

Assistance and advice is also provided by the British Consultants' Bureau for companies wishing to take on overseas projects. Some 200 of the largest UK consulting firms are members, many of whom are working in the Middle East.

Although the Arab countries offer opportunities mainly for the large and preferably multidisciplined firms, there are in addition many relatively small consultancies and individual consultants participating in the market.

Numerous architectural competitions, for example, have helped a number of small practices to establish a foot in the door and one project in the Middle East has invariably led to more work.

M.C.



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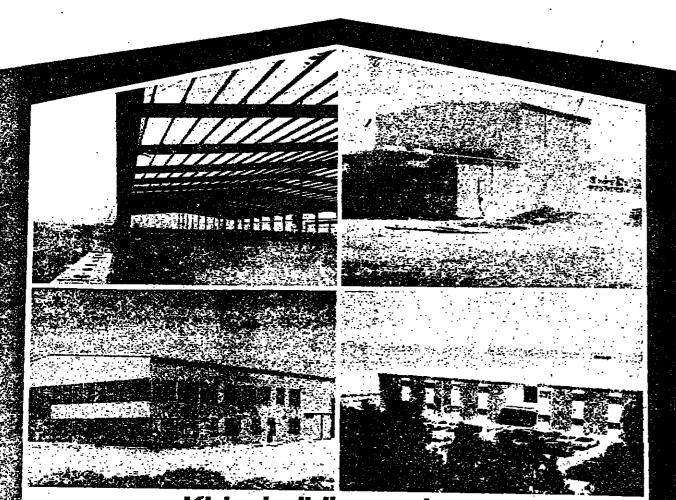
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### ARAB CONSTRUCTION IV

### The UK contribution

## Top export field

March, 1978, British contruction companies won overseas work valued at about £1.92bn, of which no less than £1.02bn came from the markets of the Middle

Only five years ago before, the value of orders carried out in the region by UK contractors was running at around £75m a

The value of work actually carried out in the Middle East reached £802m, half of all overseas contracts undertaken. At the same time, the value of work outstanding in the region stoodat £1.18bn, representing a major slice of the £2.3bn of all overseas work in hand at the end of

Contractors have been suc-cessful in winning work in virtually all of the Gulf states, from Iraq, Bahrain and Qatar to the United Arab Emirates, North and South Yemen, the Sudan and Saudi Arabia. the British, the main markets have been the UAE, Saudi Arabia and (in the non-Arab world) Iran and while the volume of business in some states has been declining, compensation has come in the shape of new opportunities in countries like Egypt.

A brief list of some of the latest announcements of work involving UK companies and Middle East clients is sufficient to dispel any theories that the pipeline of work has slowed to

John Laing International has recently won a £12.5m contract with the Arab Organisation for Industrialisation to build a helicopter production plant near Cairo; G. and T. Construction, the joint venture operation between Tarmac International

imposed on contractors by Arab

Fédération

nationale Européanne de la

Construction provide an inter-

esting comparison between the

values of building and civil

engineering work undertaken

by European contractors in the year 1977 (the latest available).

Although UK contractors gained the greatest amount of work on a world-wide basis — close on \$4bn — they came a

poor third with \$688m of work

Germany took the largest share,

\$1bn out of a world-wide total of \$3.7bn. While the above figures indicate that UK contrac-

fors have a better spread of

business than their Continental

counter-parts, they may also be an indication of a greater reluc-tance to accept the onerous lia-

bilities imposed on them by the terms of contracts in the Middle

Although the international

conditions approved by the Fédération Internationale des

Ingerieurs—Conseils (FIDIC) often form the basis for such

contracts, they may be drasticelly aftered to suit the con-

verience of employers. A prime area of concern is the continu-

ing insistence on fixed-price conir cis in most countries, and local rates of inflation cause

considerable difficulties. The

protection of schemes offered or some national export credit

surance organisations — Juch

ssurance pour le Commercie

Enterieure (COFACE) in France—is generally restricted

therefore inapplicable to most

Nation by denominating the

contract, in say, sterling or dollars, but the uncertainties of

exchange rate fluctuations still

ment to his sub-contractors

example, escalation was

CONTINUED ON NEXT PAGE

Other employers may,

minimise the effects of local m- stop work.

as the Export Credits Guarantee Cepartment (ECGD) in the UK and the Compagnie Française d'

complex in Bahrain, being built by Taylor Woodrow; and the £50m Dubai Corniche develop ment, involving Cementation International, which is working jointly with local contractor, Galadari.

Laing Wimpey Alireza is engaged on the £224m project to develop the Saudi Arabian civil airport at Abha: Costain International and Amey Roadstone are building a new airport, at Hodeidah in the Yemen Arab Republic and Bernard Sunley has won a £14m contract to build a residential complex for

Tarmac is making progress on its ambitious Suez tunnel project while all the other familiar names in British civil engineering, such as Taylor Woodrow, Mowlem, Lesser, Douglas, Fairclough, Balfour Beatty and Marples Ridgway are engaged on projects of varying types and sizes throughout the.

rules for various types of client

lighted. Nowhere are conditions-

Contract terms

countries has become a familiar accurate set of indices. In some

theme, underlining both the fields, such as dredging, con-

seriousness of the problems and tracts based on bills of quanties the difficulties experienced by with unit rates are more com-

contractors in trying to resolve mon. Contractors are now more

retention.

mechanisms.

bureaucratic delays designed to ration

Whether

Inter-

conditions

THOUGH THERE seems little and the Dubai-based Ghurair now, many British contractors serious competitors for work doubt that British building and Group has won a £7.3m road con-have shied away from too heavy which, until recently, they would doubt that British building and coup has won a 17.3m road con-have shied away from too heavy which, until recently, they would civil engineering contractors are tract in Abu Dhabi, while Bovis a commitment in the country not have been able to content that ever before, the region firm contract from the Saudi neighbours in terms of pro- is not as yet presenting any continues to provide them with Arabian Government for posed development expenditure major problems for the large the bulk of their overseas work.

In the 12 months ending in Riyadh.

Other contracts involving UK the door—and recent events smaller scale building work may

way include the £35m Cairo of them to step up their efforts:
Plaza project, being built (under to penetrate this particular a management fee agreement) market.

by Higgs and Hill; the £20m Streeters of Godalming, the Sheraton Hotel and shopping Surrey-based specialist in

competitors. Earlier in the year, Higgs and the Abu Dhabi National Oil Al-Aziziah Bryant Construction

be thinking very hard before it Saudi Arabia.

The story is not, however, one of never-ending success. From time to time, the pitfalls of working under a different set of and in markets which have little or nothing in common with the UK are dramatically high-

both contractual and physicalmore challenging and poten-tially troublesome than in the

Even so, it can be difficult to establish an agreed and

sewerage works and pipeline laying is the latest British contractor to withdraw from Saudi after a period of troubled trading A hoped for profit centre instead provided substantial losses and the company decided to leave Saudi to other

Hill said if intended to pull out of Saudi Arabia and the Mid-lands-based givil engineering group, Bryant, Holdings, was forced to announce provisions of over £2m against losses incurred by its associate operation, Bryant, which encountered problems over communications and staff mobility, says it it will

takes on any more work in The fact is, however, that the contractor wishing to work in the Middle East now has fewer options than in the past. Contypes and sizes throughout the tracts are still available. Arab world and its neighbour throughout the region and in ing countries.

The story is not however numbers which underline the scarcity of domestic work con-

fronting UK contractors, but projects are not as plentiful as two or three years ago and there are now many more competitors in the field. For the moment, the situation for UK contractors is not gene-rally too acute. Many of the largest operators are working

on contracts which have some tially troublesome than in the largest Middle East market of —are managing to win new authorithem all, Saudi Arabia. Until sizeable projects which will easure their presence in the region for the medium-term.

The labyrinth early part of the 1970s. While "jumbo" contracts are

still coming through the pipe-line-airport development reis slowly but steadily reducing ... market shares Contractors are also having to have become accustomed.

the ploy of relying on variation orders to make up for previous underestimates of cost. face the prospect of local contracting operations becoming

companies and already under will not have encouraged many in future go this way but the growth of domestic contractors in Arab markets will certainly not help at a time when inter-

> reached a new peak. The state of the market in the United Arab Emirates provides a good example of how circumstances have changed. A traditionally good market for British Emirates today represent a somewhat different picture, with much of the basic civil engineering work completed or well under way and the opportunities

quence thin on the ground. In Dubai, for example, where British companies - have long been favoured, the level of conaut Development expendituse is set to decline over the next couple of years and contractors are having to look hard for new contracts as they conclude existing projects.

for new work of any conse

Mr. Samir Said, of Costain International in Dubai, says that for the past two or three years many contractors have treated states such as Dubai and Abu

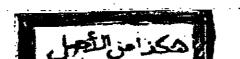
olentiful they managed to up contracts and justify their narket is jaded and many of them are sitting around waiting to pick up any crumbs which come their way. without question, work which is simply in order to maintain their operations here.

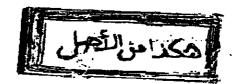
"In Dubai, the infrastructure unthinkable five years ago has now been provided and you almost have the feeling you are But there is no doubt that the in Europe. British contractors prospects for most contractors still have the lion's share of are now much less buoyant with what work is available here and what work is available here and the close bond with the British remains, although I am afraid restrain construction expending remains, although I am afraid ture in the wake of the sepnding it is now being very heavily boom which characterised the strained."

Whether or not the UK tractors continue to notch up past will depend on their ability to auticipate changing trends in mains an active area, along with to anticipate changing trends in second-tier industrial projects— the pattern of demand, to main-many Middle East regions which tain competitive tender prices have traditionally offered most and to complete work on work now find themselves at a schedule. The goodwill which fairly advanced stage of develop has, in the part served them so ment. With much basic infra well in parts of the Middle East structure now complete the will not alone be sufficient to scope for further major works preserve for contractors the

Michael Cassell







### Saudi Arabia

## Bidding becomes more competitive

one for contractors in Saudi Finance Ministry moves to Arabia. New regulations on the introduce a monthly budgetary employment of immigrant system for ministries.

Dankers even report double the practice in most surprise. Already disorganised when a hotel contract was other countries—has become a by its move to Riyadh at the re-scheduled.

Against this, foreign contract was maximum rather than a rule, and of the previous munth. Against this, foreign contract was maximum rather than a rule. At the same time, the 20 per SAMA refused to pay out claims tractors can sount. workers and a recrudescence of the debate on women's labour severely disrupted the labour market at mid-year. At the same time, budgetary restraints announced at the beginning of June to curb inflation and eliminate waste in government spending further held up payments on Government contracts. beyond the usual delays of hureaucratic bottlenecks and holidays.

and these make up the bulk of the industry's work valued last year at SR60bn—the difference etween a profit and a hefty loss depends now not so much on access to supplies but on disciplined skilled labour and an understanding banker. "We used to tell contractors they needed three months cover to

While the Government continued to award major contracts the autumn to state reserves: in 1978, and the non-oil sector of GDP registered a growth rate of 17 per cent, contractors noted an increasing toughness on the Government's part in the tender negotiations and in releasing

In fact, Saudi Arabia has proved much more thirsty for oil revenue than most analysts predicted, and low oil produc-tion levels in the first three quarters of the year led to something of a squeeze. At the beginning of the financial year in June, the Finance Minister told ministries they could not spend more than 70 per cent of their allocations without referring back to his ministry. With as much as half of the budgets of most ministries taken up in recurrent major change in 1978 has nouncement of a three-day holi-payments; there was a slowdown occurred in the advance or day, so soon after the Pilgrimin the agreeing of new contracts mobilisation payment. The age break, took the Saudi

Contractors' horzor stories abound—three Italian road building companies say they have not been paid since last April—but a sense of Government priorities has at least emerged. The Government appears keen to get all construction for the major Five-Year Plan projects started before the end of the period in 1980, while less crucial ancillary olidays... construction is being scaled down or held back.

#### Awarded

Of the major projects awarded in 1978, the most vital are for infrastructure for the heavy industry on which the kingdom's future prosperity is seen to rest - notably, the \$400m crude operate here," one Citibank pipeline and \$100m NGL line expert said in Jeddah recently, across the Arabian peninsula to We now say six months at the Yanbu and work for the eas collection system, which was given unprecedented access in defence projects, particularly a \$413m telecommunications system for the National Guard, awarded to Cable and Wireless of the UK, and a \$113m training academy, also for the National Guard, let to a German company: projects of measurable social benefit, including a \$344m television station to a German contractor and regional sports complexes to German and Swedish companies; \$211m public hospitals to an Italian contractor; more than \$2bn of housing to Korean companies; and port improvement, including a SR671m ship-repair yard at Jeddah to a Saudi-British-Swiss consortium.

In contracting procedure, the

At the same time, the 20 per cent extra work required from the contractor in the contract terms has not been included in the budget and the contractor

In fact, contractors report that three-month rivals, the whole business has become By mid-December, interest the whole business has become even more competitive. All but largest Government contracts are fixed-price, but the final awards now tend to bear little relation to the bids. More and more, ministries are holding on to two or three of the lowest bid bonds (one per cent of con-tract price) and bargaining for a reduction in the price.

for Riyadh University were opened at the end of May, but although a consortium of Bouyues of France and Blout of Alabama put in a low bid of \$3.4bn, reported close to the consultants' estimate, the contract has still not been awarded a Saudi-British joint venture and a German consortium are said to be still in the running.

Although the chances of the Government calling either the 10 per cent performance bond advance payment guarantee are minimal — no performance bond has even been held since 1975 - payments delays and international currency fluctuations, which have particularly affected West German and Japanese companies, have made contractors acutely conscious of the need

Some of the perils of Government contracting were shown in mid-November, when King Khaled returned from convalesence abroad. The sudden an and some scaling back of exist. original 20 per cent payment. Arabian Monetary Agency by

SAMA refused to pay out claims for deposits from local banks and stopped issuing contract payments. The demand for riyals pushed interest rates up may sometimes have to wait from 71 per cent to 60 per cent the labour market. until completion for the for overnight money and from With the clearing per cent to 35 per cent for

rates had subsided and payments to contractors resumed, but the whole affair could only confirm the doubts of foreign banks over the excessive risks of Saudi contracting. And with local banks mainly occupied with trade financing, many con-tractors are obliged to resort the international capital Bids for the vast new campus market both for the bonding and operations finance.

### Hampered

In this respect, British and U.S. companies may be worse off than their counterparts in West Germany and certainly than their Far East competitors. They are also hampered in that, apart from the large companies like Laing, Wimpey and Tarmac International already well established, they suffer from a narrow asset base. A small British company. Streeters of Godalming, ran into difficulties in the summer when searching for a second project to make up probable losses on a difficult and disagreeable job-sewage pipe laving in downtown Jeddah. When the second project was back for budgetary reasons. Streeters was obliged to hand over its Saudi operation unrest in South Arabia, rates to its Saudi partners. Another fell to SR 50 for regular medium-size firm, Higgs and Hill, had to pull out entirely workers.

tractors can count a radical improvement in the supply of cement and construction materials and, after the panic of the summer clampdown, in

With the clearing of the congestion at the ports through 1977 and early 1978, cement has become much cheaper with the large Saudi merchant houses turning increasingly to bulk imports. Hisham Alireza's Arabian Bulk Trade intends to import 1m tons of Japanese bulk cement in 1979. Considerable domestic capacity for construction materials is planned, notably an 800,000 tons a year direct reduction steel mill for which an agreement with the West German company Korf Stahl is due to be signed very shortly. At the same time, the large U.S. project managers, Aramco in the Eastern Pro-vince, Ralph M. Parsons at Yanbu and Bechtel at Jubail, are playing a large role in the procurement of standardised materials, which seems to be bringing order to the regional industry.

With the announcement of a clampdown on the illegal labourers in May, a large proportion of the labour force immediately went "underimmediately went "under-ground." Building workers became scarce and expensive and day wages climbed from about SR 35 to SR 85 in Jeddah. But with the successful legalisa-tion of about 110,000 labourers and the influx of more, and legal. Yemenis because of the workers and SR 65 for casual

In the country, the soft housing loans available from the Real Estate Development Fund continue to have an impact in encouraging private house building and a Yemeni builder working off the main road can earn anything up to

£50 a day. For contracts over \$30m in value, contractors must be responsible for importing their own labour, and countries with a ready supply of cheap skilled labour, particularly South Korea and Taiwan, have done extremely well. Korean contractors have profited from access to Government guarantees and domestic experience of infrastructure construction -Korea is on its fourth five-year plan. But it is the quality of the labour that is crucial. Eighty per cent of the 30,000 Koreans in Saudi Arabia have done military service, and their discipline and conscientiousness remains a continual source of wonder to Saudis foreigners.

### Sophisticated

While two years ago the more complex construction jobs involving sophisticated plant and machinery might have been awarded to companies from the industrial world, Taiwanese, Indian and Pakistani companies have shown themselves capable of undertaking airport, Riyadh University, a electrification schemes. As such palace complex in the Eastern basic infrastructure work as roads, bridges and housing gets towards the end of the year a under way, Korean companies in great deal of infrastructure particular are looking to the future, and the Korean Overseas Construction Corporation, which represents the Korean industry. to look for European joint ven- ties to Saudi contractors as part

element in a consortium led by by giving them precedence in Kraftwerk Union bidding for the the execution of Government Al-Khobar 11 desalination plant. work." At Jubail, for example, Apart from the \$2bn housing companies 90-100 per cent Saudi work, which includes provision owned received SR 176m in of services (in contrast to the almost certainly disastrous of last year. While Saudi com-Jeddah and Dammam housing panies may not be in the runprogramme now under construction by French and Dutch companies), the Koreans are also picking up a great deal of work from the U.S. Corps of Engineers, which is managing construction for the Ministry of Defence and Aviation and the National Guard. The corps has

about \$5bn in work under con- after the housing boom three tract and another \$4bn approved chiefly in housing at the has driven many of the smaller military cities at Tabuk and contractors out of business, and Hafr Al-Baten, which together with its supply port at Ras Mishab, to which four berths will be added this year, may eventually cost over \$25bn. While contractors agree 15 there is little or no delay in awards or payments for defence-

related work-and that includes a great deal of school and around the military cities. hospital building-other big projects in 1979 may experience some delay. The causeway to Bahrain, for example, seems to have been relegated to a fairly low priority. Other major projects expected shortly are the terminal buildings at Riyadh Province called Sunrise City and work at Jubail and Yanbu. At the industrial complexes,

many of the housing and site clearing projects have been broken down to give opportuni-

ture partners for more complex of the Government policy, in projects. Hyundai is already in-Prince Fahd's words "of volved in providing the labour encouraging Saudi contractors owned received SR 176m in awards in the first eight months ning for any of the major Royal Commission projects. example Jubail Airport, or for the heavy industrial facilities still some way away, they are tunities in support construction.

In fact, 1978 has seen consoliyears ago. Fierce competition construction standards have improved out of recognition. Speculative building has all but stopped in Jeddah-the Mayor has vowed action on the 50,000 empty apartments in the citybut housing and office construction is going on apace in Riyadh and the Eastern Province and

With the prospect of au increasing role for Saudi companies, many foreign companies here feel the "finalists" are already established, and any new contractor outside high technology areas is likely to find it an uphill struggle. Competent Saudi agents or Joint venture partners are proving harder to find, and any newcomer would be likely to lose out on its first contract. Although there might be better prospects on subsequent orders. losses in Saudi Arabia tend to be as large as possible profits.

James Buchan

### Labyrinth

CONTINUED FROM PREVIOUS PAGE

contractors.

bank guarantees remains a major problem for many UK in the wording of such bonds, contractors. Such guarantees which in the Middle East are may be required first to support almost invariably encashable bids, for which the bond per- "on demand" and without concentages range from 1 per cent testation, irrespective therefore for Government contracts in of the performance of the con-Saudi Arabia to 5 per cent in tractor. Although the risk of a Iraq, secondly as security wholesale calling of the bonds against advance payments, must be slight, the well-known which are generally around 20 but only example being that of per cent of contract value, and Colonel Gaddaffy in Libya in thirdly to guarantee performance of the contract as a whole. for which bonds of 5 per cent or 10 per cent of contract value are most common. Bonds to bargaining weap secure the release of retention tractual dispute. monies or to guarantee warranty obligations may also be required. In the Middle East such guarantees are provided almost exclusively by banks.

lichael (S

creasingly difficult, without outbonding facilities from their but their policies provide for the UK from ECGD, which is more generous view of a con-tractor's halance sheet and his The exporter's counter-indem-nity is given to ECGD, which issues as own indemnity to the bank, which is thus enabled in

turn to issue the bond.

This support facility is, however, available only for cash contracts with Government buyers, with a minimum con-tract value of £500,000, it is not available for contracts on credit terms, such as are commonly found in Algeria, Egypt and parts of the Gulf. Contractors also complain, operating as they do on the slimmest of margins, at the cost of bond support, which is 1.25 per cent per

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THROUGHOUT THE MIDDLE EAST

be seen whether the new cover annum on the bond amount, will prove more attractive to plus the cos tof the basic ECGD credit insurance which is a pre-The provision of bonds or requisite.

Additional risk, however, lies Colonel Gaddaffy in Libya in 1969-there is evidence that employers in the Middle East are increasingly aware of the power of the "on demand" bond as a bargaining weapon in any con-

#### **Protection**

Most export credit schemes now offer protection against the which issue them only against "unfair" calling of such "on the security of the counter demand" bonds—the ECGD indemnity from the contractor scheme for example costs 0.50 or another acceptable third per cent per annum on the bond value, with underlying credit But since the asset bases of insurance again being a premany companies have not in requisite—but the value of the creased at the same rate as con- cover is difficult to assess in any tract values in the Middle East, dispute over the contractors contractors have found it in performance. Lloyd's Underwriters offer similar cover to side support, to obtain adequate contractors of all nationalities, bankers Such support has reference of disputes to inde-however been forthcoming in pendent arbitration in London. In the few cases where UK prepared fo take a necessarily exporters have challenged the "calling of an "on demand" bond, they have done so by ability to perform the contract. obtaining an injunction against The exporter's counter-indem- the UK bank preventing it from fulfilling its counter-guarantee to the local bank who issued the bond. The cases of Edward Owen Engineering in Libya and R. D. Harbottle in Egypt are two prime examples in recent years. In each case, however. the banks successfully appealed against the injunction, which now can only be regarded as a

delaying tactic. In fact one result has been that since November, 1978, no UK bank has been able to counter-guarantee any Libyan bank, as the Libyan Government has specified a counter-guaran-

tee wording that seeks to exclude the effect of any injunction or garnishee order issued by a UK court, thus imposing a condition with which no UK bank can comply. They have therefore been forced either to follow the example of American banks (which are not permitted by U.S. law to issue bonds) and issue stand-by letters of credit, or in one instance to involve an intermediate bank outside the

Further risk, and an additional strain on bonding facil ties, results from the pratice of many countries, notably Syria, which specify either a very long (say ten years) or indefinite validity for bonds, irrespective of any expiry date stated therein. Similar liability periods may be imposed by the laws of Egypt and Saudi Arabia for the design and safety of construc-

tion work as a whole. Where disputes arise, contractors face certain difficulties as contracts in the Middle East are subject to both local law and local arbitration. Few contractors, for example, feel at ease with the Moslem Shariah Law under which the Saudi Grievance Board operates, although its decisions have generally been regarded as equitable. Another difficulty lies in the Kuwaiti Code of Civil Procedure, which provides that arbitration awards should be made within a three-month period unless the parties agree to an extensions; at least one UK exporter has found himself time-barred, with his Kuwaiti

employer refusing an extension. There are two continuing features of contracting in the Arab World which compound all these problems. First, in order to cope with the vast size and complexity of major projects, for which the management capability is still rarely found in the Midde East, it has been found necessary to form consortia or joint ventures, which in themselves, imposed on their constituent members joint and several liability for

the total project. UK contractors, with some notable exceptions, have generally been either unwilling or unable to accept such risks as the insolvency of their partners or their failure to perform. Although ECGD introduced two schemes intended to cover these risks - project participants insolvency cover for contracts yet been used, being regarded as inadequate in scope and too expensive.

Secondly (and associated with the first point), it is frequently necessary or expedient to form a local company in partnership with a local con-tractor or investor. Where the UK company has a minority shareholding or otherwise lacks effective control, it not only runs all the risks implicit in being controlled by a partner who is likely to place his own national interest first, but it may also be deprived of all ECGD's protective facilities as a result. Whether ECGD is eventually able to compromise with such seemingly inevitable developments of nationalistic

tendencies remains to be seen. Nigel A. Alington Credit Insurance Association

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pean countries have signed in the last year ensure that by it has a high annual investment 1985 Algeria will be one of rate. Europe's main energy sup-

ол many European contractors who, despite the reputed diffi-culty of the market and the preconception that only the French been quick to recognise Algeria's potential. Many, like their Japanese and U.S. counter-

ALCERIA AND Europe are a population of 17m, oil, lished in Algeria, having built dependence can be mutually destined to become important minerals and the world's fourth the first major LNG plant beneficial and it is no accident trading partners. The many largest natural gas reserves Its Arzew 1, opened in February. major agreements to import development programme is But the strong financial back especially ENL subsidiaries.

Algerian natural gas that Euro- ambitious, providing opportuniing from Canada's Export have won contracts in the past
pean countries have signed in ties in almost every sector, and Development Corporation untwo years to build textile plants,

Local state companies are able to do much of the basic The significance of this construction work and like to development has not been lost supply materials to foreign comconstruction work and like to panies and to work with them where possible. But they turn to foreign companies for expertise in advanced techcan do business there, have nology, such as that used in the huge natural gas liquefaction plants being built on the Mediterranean at Arzew and

peaked.

Algeria is the tenth largest country in the world and bigger than Saudi Arabia. It has likely that European companies will rival their predominance. The U.S. Export Import Bank (Eximbank) has shown strong (Eximbank) has shown strong interest in Algeria in the past year, providing loans worth about \$500m, one of which enabled Fluor, a newcomer to Algeria, to win the \$336m contract to construct the Al-Rar gas recycling plant. Another big contract in this sector, worth about \$622m has just been about \$622m, has just been awarded to Japan's Ishikawa-jima-Harima Heavy Industries (IHI) and C. Itoh for a 4m-

tonnes-a-year liquefied petro-leum gas (LPG) plant at Arzew. But the U.S. and Japan do not have things all their own way, and the most expensive contract, in terms of investment, to be awarded last year went to Canadian Bechtel. The contract, worth an estimated \$626m, is to develop the Rhourde Nouss gas field. The company probably benefited the same time, to build a 630km finance and on options in the from its links with Bechtel 30-inch diameter pipeline from next plan, since there is now, International Corporation of the In Amenas field. considerable debate on whether the U.S., which is well estab. Italy has seen that this inter-more investment should be put

doubtedly played a part.

Provision of finance is a crucial factor in winning con-tracts in Algeria whose oil revenues are not alone enough to pay for all development. Revenues should gradually increase now that LNG is being supplied to the U.S. from expected to be substantial until about 1984. The sector of the oil and gas

industry in which European firms have had most success is in pipeline construction.

This is a major item in Algeria because the oil and gas fields are so far from the coast. The. Dutch firm Nacap, a member of the Bos Kalis Westminster Group, last year won two con-tracts, worth a total of about \$200m, to build two pipelines from the Hassi Rinel gas field

#### Pipeline

Saipem a subsidiary of Italy's equipment manufacturing plant state holding company Ente Nazionale Idrocarburi (ENI) is to build the 550km Algerian were many earlier ones to build the 550km Algerian More recently Demag, in section of the huge Algeria-Italy a consortium with Japan's Rawasaki Heavy Industries and decision, in October, 1977, to go can be added to the El Hadjar steelworks, a major feat of engineering is a major feat of engineering, is: perhaps the single most materials' industries now receive significant development in the next biggest slices of invest-Algerian-European relations in the past two years. When com- industry. There are two major-pleted in 1981, the pipeline will steel projects—the Jijel steel-be an irrevocable link between works involving a port and railthe two since it will supply not only Italy but other parts of

was awarded another contract at-

Europe through a connection

with the European supply net-work from north Italy, Saipem

that many Italian companies, especially ENI subsidiaries. chemical plants and houses. Fiat is interested in the proposed Oran car plant, and Pirelli, with West Germany's Krupp, has signed a provisional agreement to build a tyre plant. at Bouira for the state hydro-

carbons concern Sonatrach West Germany is now Arzew 1, but they are not Algeria's second most important supplier after France and its position is bound to strengthen now that Deutsche BP has joined those West German companies who have contracted to buy Algerian gas. Algeria, per-haps more than most developing countries, prefers to buy where it can sell, so it will be corres-pendingly keener to look to West Germany.

West German companies are most active in the mechanical industry, where they have a virtual monopoly. The last important contract in this sector to go to a West German concern was awarded in 1976 (to Liebherr for a construction

The steel and construction the next biggest slices of invest-ment, after the oil and gas works, involving a port and rail-way and a larger-works planned. possibly at La Macta, for which Nippon Steel and Bechtel are doing studies. When these projects go ahead will depend largely on the availability of considerable debate on whether

tors and agriculture.

Housing is one sector likely to benefit from a shift of investment options. The Housing Ministry is interested in attracting foreign consortia who can offer package deals to build, in some cases, complete towns and who will work with local companies

A French group, the Groupement Rhones Alpes d'Etudes pour la Construction en Algerie, including architects, town plan-ners and civil engineers. understood to be studying the feasibility of building 5,00-6,000 houses a rear. Eastern bloc countries, which do a lot of business in Algeria creating fierce competition for the West. have also been asked to help

with house building.

There are also plans to build more hospitals and universities. So far there are few UK contractors working in Algeria, but there are some consultants, in-cluding Easans and W. S. Atkins, which recently won two contracts, to design the univer-sity complex and for an 800-bed teaching hospital at Tlemce

Lack of nowledge of Algeria has deterred many UK companies, which have tended to regard it as a French preserve. France still has many contracts there, but its share of the total has fallen as Algeria has diversified its commercial relations There are certainly difficulties for non-French speakers, but companies with sufficient determination get round them and the problem has not frightened.

the Japanese.

Most big contractors find that it helps to maintain an office in Algiers. This can be expensive but is a good way of keeping abreast of events and ensuring a steady flow of work. It makes it easier to obtain notice of tenders—published in the national Press—to maintain contacts with the state companies and to handle bureaucratic difficulties.

Margaret Greenhalgh

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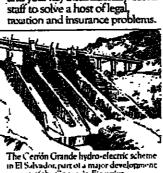
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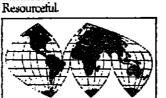
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## Serious labour shortage

throw of monarchy in 1969 the Libyan leadership has pushed ahead with development of this vast but underpopulated North pace of change has accelerated past the point at which it can be properly absorbed by the

With £13bn allocated to be spent on the 1976-80 development plan, international construction companies were quick to take advantage of the rush for development. Yet even those most familiar with Libya still keep a wary eye on the possible effects on themselves of Libya's brand of Islamic

The arbitrary calling of performance bonds by the Govern-ment in 1969 has inevitably foreign companies nervous. This, and subsequent wrangles over payments, has made some contractors hesitate before tendering. The impact on British companies has been particularly severe, although there was a breakthrough last year when the McNeill Group won a £21m contract for hous-ing construction south of Tripoli. British consultants, on the other hand, have always been well represented.

#### Continue

Officially, Col. Muammar Gaddaffi, the leader of the 1969 revolution, promised to resign his post last December. He and senior colleagues, however, will continue to guide the country's fortunes. In the future, as in the past, it looks inevitable that political, economic and social development of Libya will be stamped with Col. Gaddaffi's

The Libyanisation of foreign companies has long been a motive of government policy. The first section of Col. Gaddaffi's "Green Book" outlines his plans for direct, if in effect heavily controlled, democracy. The second part of the book, now being imple-mented, concerned itself mented, concerned itself mainly with economic policy. Its publication last year sounded the death knell for pri-

vate enterprise within Libya. Since last September workers' committees have rapidly taken over private as well as public businesses. This has hit international companies engaged on specific contracts, but their own ventures have not been taken

anarchy was predicted. The more doleful warnings have not. Austria. so far, come true. The takeover monitored by the government. expanded over the last decade. In some cases managers have From no oil refineries in 1970. lost their jobs. In others they Libya now has six and another

brought back to sort out the subsequent confusion.

optimistically by companies. The Export Credit Guarantee Department in Britain is becomextent of the takeover becomes apparent.

The financial future of Libya was also looking rosier by the end of 1978. In the first half of the year the world oil glut hit oil exports. In the first six months there was a total drop in Libyan oil exports of 45m barrels compared to the same period in 1977.

guard against the expected OPEC price rise at Abu Dhabi, the Saudi limitations on the sale of their light crude and, in the last quarter, the strikes sweeping through the Iranian oilfields pushed up demand for Libyan crude. As a long time OPEC hawk Libya was pleased, if not satisfied, by the the 14.5 per cent price increase agreed in December. Nevertheless in the first 11 months of the year oil production was down 5.2 per cent on 1977.

Construction up to 1980 will be limited, as in the past, by incapacity to absorb investment. The total Libyan population, including foreign workers, is only 2.6m and, given the low average age, many of these have yet to join the labour force. In the immediate future the emphasis is more likely to be on infrastructure as industrial and agricultural projects under construction are completed.

Most agricultural projects are already underway but only last July ITL Italiana Lavori and Food Development Corporation of the U.S. won a \$125m turnkey contract for well drilling and reclamation. In the past the Yugoslavs have been particularly successful in winning contracts in this sector.

In industry there has been a strong emphasis on food pro-cessing. Plans for heavy industrial development have been more tentative, and an agreement with Yugoslavia to build a large aluminium plant is still being discussed.

Bids for the \$1bn steel plant at Misratah have already been called for. Bidders for this plant, with a capacity of 1m tons a year, include two major In the first few months of Japanese consortia headed by marches and officially inspired Mitsui and Marubeni, and C. Itoh workers' committees, industrial respectively. They face compe tition from West Germany and

. Inevitably the oil industry by workers is being carefully and petrochemicals have rapidly

The worker's takeover is now being viewed a little more pleted at Mersa al-Brega and many Egyptians with the growth plant should be finished. ing more sympathetic to contractors seeking backing as the Developing

But company stockpiling to

station at Zuara. This Indian contract is part of a \$1.5bn deal between New sometimes relations.

But over the last year the major contracts have been for infrastructural projects. Babcock AG and Budimex of Poland won a \$500m contract for the construction of Homs power station near Tripoli last January. Bharat Heavy Electricals (BHEL) of India, already build-ing Tripoli West power station, has recently woh another con-tract, for a 600 MW power.

Delhi and the Libyan Government. The Libyans have always favoured developing countries for such bilateral deals. Turkish companies are doing a number of contracts, although intermittent Turkish inability to pay for Libyan oil exports

Italy remains the biggest source of exports to Libya but

Such a labour shortage is typical of most of the Middle

responsibilities or have been mash West Germany is building those with small populations. a \$500m complex which is to In Libya the shortage has been export chemicals. A nica exacerbated over the last 18 fertiliser plant has been commonths by the departure of so

within three years an ethylene of hostility between Tripoli and Cairo. There has been an influx of Tunisians to make up for this exodus, and last year the total

inflow from Tunisia may have been as high as 50,000. Pakistanis and Indians have also been increasing in number. The shortage of unskilled labour can be solved. The persistent problem remains, how-ever, of how to acquire skilled workers or office staff and clerks. The number of Libyans suitable, trained and willing to work is limited by the low population. Indeed the situation is being made worse by the general call-up for the army of those under 35. Many will receive additional training in military service but this does not halp service but this does not help those coping with the immediate.

problems.
The system of exemptions is proving inadequate, and Libyan technicians, scarce enough at the best of times, are tenting to disappear into the army. Nevertheless, the element of "theatre" and confusion sur-rounding the new moves should not conceal Col. Gaddaff's spirce of exports to libya but rounding the developing states do have not conceal Col. Gaddaffi's one in-built advantage. The understandable aim to fry to chronic shortages of labour, prevent Libya becoming a caste particularly skilled or semi-society with foreign labour skilled gives a big advantage doing the work, while Libyans to those who can bring their do very little. Whether such labour with them without a policy can be successful in greatly raising the price of a country where GNP per head is over £4,000 is another matter.

Patrick Cockburn

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### ARAB CONSTRUCTION VII

Kuwait

## Still bustling

ALTHOUGH THE construction boom went bust in the lower Gulf, Kuwait, its skyline punctnated by huge cranes, still looks like one vast construction site, with work on some projects going on around the clock. There are some pessimists who predict an imminent slowdown, but most people directly in-volved in the industry see merely a levelling off of activity or a temporary pause to catch up with and assess the economic impact of projects ready under-way.

Competition for contracts is

th the South Koreans, the ourent blue-eyed boys, be-loved of both Knwarti clients and Western design consultants. Jealousies abound, the current rumour being that the Koreans' bids on projects are subsidised by the U.S. Government because they are the American "Foreign Legion", expected to protect the oilfields if anything untoward should occur. The Koreans blame competitors or the North Koreans for these

UK construction contractors have been reluctant to get involved in work, although UK design consultants have been quite successful. Construction contracts are for fixed prices and require a 10 per cent performance bond which technically can be called almost on whim According to one diplo-mat, however, a performance bond has only been forfeited once and that was when the contractor literally walked off the job and left the country.

The Kuwaitis' attitude is that they are not interested in the bond. They are interested in getting the work done and they bend over backwards to get that taken care of," he said. This, he added, includes early payment to companies with cash flow difficulties and extension of deadlines. "The bottom line for them, is the job. They

don't need any more money." A UK consultant said that UK contractors seem to have an "irrational fear" of doing business in Ruwait. "I think they have had problems in other parts of the Middle East and look at standard agreements here and get scared off," he con-

aret Greek

The main problem for the contractor is the labour shortage. Since Kuwaitis form less than half the population, the Government is anxious to limit immigrant labour. Its policy is ment projects must import his labour, house it and send it home at the end of the con-

The Koreans, with a large, skilled, well-organised and lowcost labour force, probably benefit most from this policy. They entered the market in 1976 and within two years had \$500m of contracts. There are now 17 Korean construction companies in Kuwait, with 9,500 workers. Last year they got \$500m in

#### Preference:

But even the Koreans fear for the future of the international contractor in Kuwait. An official of the Korean trade mission said that the Kuwaiti Government is increasingly showing a preference for local over international contractors. A Kuwaiti architect said the Government is under pressure to push international contractors into associating with local con-cerns in joint ventures. "My prediction is that within two years it will be very hard for international contractors to come and work here using a Kuwaiti as just an agent," he said. "There will be some restrictions on that."

The Government's development budget for 1978-79 is KD 390m (close on \$1.15bn), 1 per cent less than last year's KD 392m, but considerably less when the country's inflation rate of 30 per cent is taken into account. Only KD 68m of the budget is for new projects and 63 per cent of that is for the large power and desalination projects of the Ministry of Electricity and Water. The Kuwaitis are already the world's No. 3 per capita energy con-

The Electricity and Water Ministry is now reviewing bids

the 16 6m gallons/day (mgd) desalination units will be issued by February with the others coming at about six month intervals. Under tender now is a \$45m water pumping, blending and storage project to handle the water produced at Doha.

Also coming up this year is the Shuwaikh power and water production station project to replace most of the 25-year-old Shuwaikh facility. The old plant will get four steam tur-bines totalling 400MW and nine desalt units totalling 54 mgd. Tenders for the intake and discharge facilities are to be issued by May and tenders for the dismantling and demolition work by June. The turbines and June and the civil work by February 1980.

The major projects department of the Ministry of Public Works is now considering bids for construction of Kuwait's answer to Disneyland, with an Italian group the low bidder at 162.3m. Out for tender now is the State Mosque, estimated at KD12m. In a few months there will be a tender for the Minis-try of Planning complex, estimated at KD7m.

The motorways section of the Ministry has under construction KD80m of Phase one of the Kuwait motorways system and expects expects to award another KD17m in contracts for the system this year. Deleuw Cather International of the U.S. has just submitted its design studies and conceptual design of the second phase of the project. It is divided into five parts, totalling 115km and estimated at \$375m. The Ministry will eventually be looking for designers for the separate parts. complex designed by I. M. Pci

Housing National Authority (NHA), which provides housing for lower to average income Kuwaitis, will contract for construction of 5,000 to 6,000 units this year. About five months ago a Housing Ministry and NHA for six of the eight turbines and delegation visited the People's six of the eight boilers for the Republic of China and a Doha West power/desalination few months later received a complex. Low bids total about 'reciprocal Chinese' delegation.

\$350m for the bollers and Under discussion is the possi-turbines. Civil work for the bility that the Chinese will project is out to tender now. construct a large housing pro-The tender for the first four of ject in Kuwait. According to the 16 for gallers (and ) ject in Kuwait. According to one Kuwaiti official, "This is the first time they will do something for a country and get paid for it."

NHA has been reluctantly handling development of the idea of the new town of Subiya, to be situated near the Iraqi border, Shankland Cox Partnership of the UK has completed a townwhich is eventually to has been approved by the Government as part of Kuwait's national planning strategy. However, the go-ahead on more detailed plans has so far not been given, causing some local urban planners to worry where Kuwait will house its burgeoning population, which is expected to at least double by the year 2000. Construction on the first district of the first phase of Subiya could conceivably start within 18 months of Government agency to handle the project.

#### Design

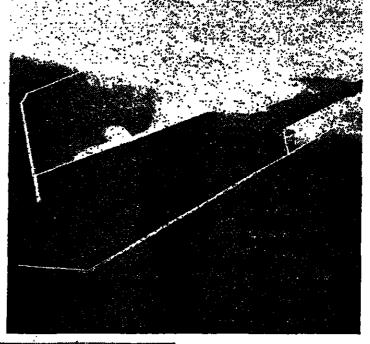
Kuwait's municipality, the land-use planning body for the country, is involved in several urban development schemes plus a \$216m project to develop 21 KM of Kuwait City's waterfront.

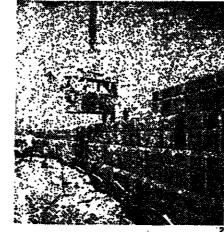
Arthur Erickson, Architects of Canada, has just signed a design contract for an urban at Fintas, halfway n Kuwait City and centre Ahmadi, which is to become the second largest urban centre after Kuwait City. Eestimated construction cost is over \$1.2bn.

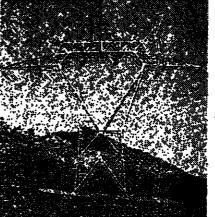
Probably the biggest project in the private sector is the \$252m residential/commercial and Partners of the U.S. with the Kuwaiti Engineer's Office here for the United Realty Company. There are numerous other residential and shop/ office complexes under design, although one architect wonders what is going to happen when the 4,000 or so shops now under construction are completed.

Leslie Ann Mitchell

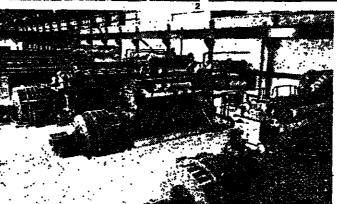
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### Jordan

## Activity at peak level

A CONTINUING high rate of tion plans and schedule are not from expensive de luxe quality second Arab member of the demand for new housing and yet finalised, however. housing into the more sought Euro-International Committee the implementation of most of the large scale development and infrastructural projects in the current five-year plan now dominate the construction scene in Jordan. As a result there is a rush to increase local cement production and a proliferation of new import-substitution industries catering for the still booming construction sector.

for the plan's many large medium cost housing units projects, notably expansion of every year.

the port of Agaba the potash and chemical fertiliser projects, the new Amman International Speculation Alrport, the massive Jordan. Valley agricultural and housing projects, expansion of phosphate production facilities, a series of road and public housing projects, the new Yarmouk University and the King Talal Dam water delivery system, to mention only the largest

These Government-financed tons per day kilns to bring foral capacity by 1982 to 1.65m tons.

In the next two years, the cement company, which enjoys a Government-protected monopoly on producing and importng cement, will import 600,000 tons of cement every year from Europe: Plans to build a second Portland cement plant is the bank credits, a high amount by south are approved but the Im any standards.

The housing market continues

to be the mainstay of most of the small and medium-scale Jordanian contractors, With its peculiar demographic structure, the young Jordanian population will require at least 20,000 new housing units per vear for the next decade, most of which will be built by the private sector, although the At the beginning of the semi-autonomous housing corfourth year of the five-year poration is also now reaching plan, Jordan is now almost at its anticipated rate of building the peak implementation period several thousand low and

The feverish growth rate of the construction industry that was tied to the land speculation rush two and three years ago has settled back down into what is, for the Middle East, a more normal growth pattern, but a high growth rate if compared to the rest of the world. Cement these Government-financed schemes, compled with a continuing high demand for private housing, has caused demand far continuing has caused demand far credits to the construction and to outstrip production capacity of 500,000 toasist the country's sole Portland of the country's grow by at least 10 per cent sole Portland of Amman. Thus the Jordan Cement Factories Company has embarked on a two-stage expansion of the state-backed Housing project, building two new 2,000 Bank is computed into the tons per day kins to bries for at the rate of 15 per cent every year, while commercial bank real estate sector continue to grow by at least 10 per cent every year, despite recent every year. The continue to grow by at least 10 per cent every year, despite recent every year. The continue to grow by at least 10 per cent every year, despite recent every year. The continue to grow by at least 10 per cent every y demand, for example, is rising sectoral distribution of bank credits, the real estate and conwhich even then may not meet struction sector accounts for a local demand. very high 40 per cent of all outvery high 40 per cent of all outstanding loans at the end of 1978.

> Even without the Housing Bank's JD 60m in outstanding loans (about \$190m), construc-tion and real estate account for 30 per cent of all commercial

tons a year plant is supposed to. The most significant trend be geared exclusively to exports within the housing business in to Africa. Its defailed construct Jordan today is the slow shift

of Amman, and a shortage of lower cost accommodation.

series of new local industries sector. Most notable of the new tiles and porcelain and ceramic and doorframes, wooden door sets, galvanised small-size steel pipes and plastic electric con-dults, steel radiators and lime Several large contracts will be and silicate bricks. Also coming on to the scene soon are an aluminium extrusion plant, a glass plant, the new cement factory in the south and a wood factory in Agaba using timber imported from Malaysia.

The relative drop in reliance rise of local production has new Amman Airport. tended to help prices of construction materials to stabilise after four consecutive years of rising costs for contractors. In some cases, such as locally produced paints and tiles, prices have started to fall slightly in the face of increased output and competition.

Some new construction techniques and services are also gradually being introduced into the market, such as the use of precast concrete elements and prefabricated housing, tunnel-type framework building methods, especially for hotels, and ready mixed concrete deliveries.

The cost of labour has also stabilised, and the shortages of skilled and engineering personnel of the past three years have largely disappeared. This has been due to inexorably rising wages—which have trebled in many cases—as well as the return of increasing numbers of Jordanians from the oil producing Gulf states because of the continued influx there of Asian labour and the slow drift of more and more construction industry personnel from the

occupied West Bank. The relatively advanced state of the construction industry in Jordan, when compared to the rest of the Arab world, is demonstrated in the recent decision to make Jordan the

staguant economy of the Israeli-

housing into the more sought Euro-International Committee after low and medium cost for Concrete, the world's lead-dwelling. There is a surplus of ing body for setting internationing body for setting internationde luxe housing in the capital ally recognised codes of practice for the construction industry. Lebanon and Iran are the other The continued high demand two Middle East members. This for housing has spawned a international link-up corresponds to the three-month-old drive in Jordan to formulate a whole series of national codes companies are ones to produce of practice for the construction precast concrete housing ele- and contracting professions. In ments, bathroom and kitchen most cases, local contractors adhere to the code of the Arab fixtures; aluminium windows Federation of Engineers or European or American codes, although the need for a local set

awarded in the coming two years, including the refinery for the potash project, the civil and mechanical works for the Aqaba chemical fertiliser plant. Yarmouk University's civil works. the Magarin Dam civil and mechanical works and the on imported materials and the remaining civil works for the

#### Share

If the pattern of recent years is any guide, companies from South Korea, Japan and Taiwan are expected to continue winning a big share of the contracting business in Jordan, especially for jobs with a pressing time element to them, while major international contractors are still needed to carry out the complex design and contracting work for these big jobs which Jordanian personnel have not had enough experience with to

The most recent big contract to go to a foreign contractor was the \$111m job for the civil works of the potash scheme, whose \$24m township project is being built by Shin Seung of South Korea.

International contractors will find a more competitive market in Jordan in the next few years, with fewer of the jumbo contracts that have attracted contractors in the oil producing states of the Middle East in recent years. It looks as if the domestic housing market will offer more work for Jordanian firms in the next decade, with relatively less consulting or contracting services required from

Rami G. Khouri

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Summary Financials for year to 10th December.

1976		1977	1976		1977	1976		_	19
(SR m.)		(SR m.)	(SR m.)		(SR m.)	(SR m.)		-	(SR i
3,005	Cash and near cash	8,288	9,274	Deposits	13,976	449	Gross Income	7	
3,484	Deposits with banks	2,229	243	Borrowings	366	225	Expenses	14	:
285	Investments	476	318	Other liabilities	300	224	Net profit		
3,038	Advances .	3,842	152	Profit and Loss A/c	259		Net pront		_:
191	Fixed Assets	233	400	Capital and Reserves	478		·	1	
474	Other Assets	311	1			_	: •		
10,387	Total Assets	15,379	10,387	Total Equity and Liabilities	15,379	•			
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19,193		26,301	19,193	•	26,301				ž
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### United Arab Emirates

## A builder's dream no longer

Others merely

regard it as a formalisation of

banks were taking on new pro-perty investments anyway.

to leave, mostly to Saudi Arabia.

Already over 100 companies

have left but, as economists

point out, there were far too

many contractors anyway in Abu

to live in had to stop. Abu Dhabi already has over 2,500

registered contractors-one for

Amid all this gloom, there are

two promising avenues for work.

One is the second major town

in Abu Dhabi Emirate, Al Ain,

where the building boom has yet

experience a slump as in other

60.000 people, supervising town

road projects, sewerage develop-

horizon is a plan for another

But the major client with

international airport there.

Five major names in

de facto building ban, for no

The move by the Government has encouraged many of them

in future.

were announced as Federal and Emirate Governbudgets development recorded annual growth rates of nearly 80 per cent. Compared hazardous environment commercially and a more pleasant or less ready to hand over, and place to work in for contractors its builders, a joint venture of who wanted a door to the large market of the Middle East.

Today many of those com-panies are now thinking of packing their bags. Some have already left, particularly those who came for one contract, looked around afterwards, saw no prospect of other work and headed for home. The reason is simple enough. The ports, airports, roads and large indus-

TWO YEARS ago the United trial installations are either Arab Emirates (UAE) was a already underway or completed, builder's dreamland. Every In Dubal, which was once the week multi-million dollar con- top Arab market for British contractors, some £3.6bn of contracts in the town and at Jebel Ali are in progress, of which UK companies account for an estimated two-thirds. But many other-and sometimes are due for completion within wealthier - neighbouring coun- the next two years and many tries the UAE offered a less have already been completed. The dry dock in Dubai is more

> Costain and Taylor Woodrow. are talking of a reduction in their presence from a peak of 250 British engineers to a meagre 55 by August next Bernard Sunley, builders of the Dubai Trade Centre and other projects for the prestigious projects for the ruler, Sheikh Rashid, are also talking of a cutback in staff of 50 per cent of its former level. They are fortunate enough to have found work in the capital, Abu Dhabi.

British trade officials advise that unless an incoming contractor has at least one year's absolutely guaranteed work, then it may not be advisable to come to the UAE at all, for the northern emirates can offer little prospect of the traditional large-scale contracts as before. Even in Dubai when the Ruler recently offered a contract he was immediately besieged by work-hungry contractors. In the end he refused all offers, and gave the contract to a builder who was already engaged on another project, but where there was still a cash flow. In Dhabi: and the situation where the emirates north of Dubai prospects seem even bleaker. Dhabi: and the situation where builders were building homes for other contractors workers

#### Decline

Another major reason for the decline in work prospects for

Partnership rules are also laws dictate that each company influential local businessmen have already been taken up.

The Abu Dhabi market has

also suffered from the same

proving the bottomless source medium-sized contract can be expected to filter out. However, many contractors have made a conscious decision to steer away from work with the Government to accept the lowest bid. Such contracts, are also attracting bids from as many as 60 to 70 companies. As one major British builder put it: "I don't have the courage to bid in that out to be a waste of money and

foreign contractors are "buying in." to provide themselves with work in what promises to be a lean period ahead in order to maintain a presence in Abu Dhabi. One local builder tells of his latest offer for a contract which turned out to be the second highest bid. "And I didn't even include any profit in my bid-just enough to pay my overheads during the work.

S.W. Farmer Group Ltd.

been hit by the property market collapse, and the subsequent ban on building of office and residential construction which was imposed by the Abu Dhabi government lest December. The measure is part of the package to aid the establishment of a Real Estate Development Bank, which despite its name aims to protect financially the owners way, with a further 10 km of of existing buildings. There are access roads in Bahrain and 40 some 25,000 vacant flats in the km of access roads in Saudi designed to take over the majority of loans made to local investors by the commercial

ment that there will be no work on a development programme mated at \$7bn. Most of the work in the future promises to centre. around the development of the. They have enough people ham-offshore Upper and Lower mering at their doors anyway," Zakum fields, which is going to cost around \$4.5bn. Ruweis, 100 miles to the west of the capital. is also the major development area in Abu Dhabi, where the Government is constructing a \$1.7bn LNG plant, a \$500m export refinery and associated

port developments.

Any contractor lucky enough to become involved in these ADNOC programmes will tell you that out of all Abu Dhabi clients, the national oil com-pany has proved the best. It is hardly surprising therefore that in view of the size of the contracts going the competition from international companies is extremely fierce.

ADNOC rarely puts out a conto draw up a select list of contractors whose experience qualifies them for a bid. Getting road projects sewerage develop- on the list can often be an checking out companies bidding ments and the like. On the arduous task, for ADNOC is for work. One consultant had notorious for its secrecy. Bid- an ADNOC management conders often have to rely on the sultant come to his office to local grapevine to find out their check his experience, going vast potential is the Abu Dhabi competitors and are never told through preliminary drawings National Oil Company why they did not succeed. Nor that had been drawn up in pre-(ADNOC), which is embarking does the organisation ever paration of the bid, followed

publicise its next projectthe price of which was last esti- just gets to know what is coming. advertise, they don't need to. commented one ADNOC con-. In the past too the company

appears to have preferred to give an international flavour to the contractors who are working for it. So far there are British, Italian, American, French, Greek, Indian, Korean and Japanese companies undertaking construction and consultancy work on the schemes

Unlike other Abu Dhabi clients, ADNOC works to the rules of FIDIC (Federation Internationale des Ingenieurs Conseils) in contract terms with few amendments, and though payments may be up to six weeks late, the delays are caused by the need for the tract to open tender, preferring chairman of ADNOC to sign every contractors' payment. Companies have also praised-ADNOC's thorough approach in

technical points.

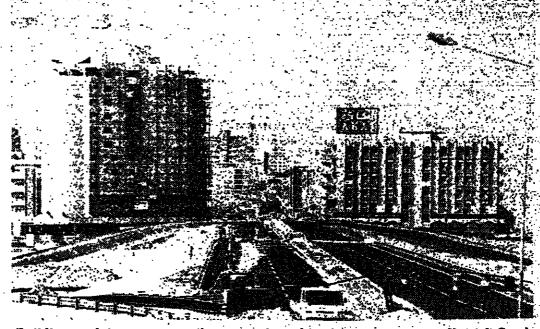
Yet dealing with ADNOC is not as difficult as it is portraved, say British trade officials. ADNOC - officials - are fairly accessible to "those companies wanting to make their sales pitch, and they appear willing to listen to each one in turn. Too many companies expect to see the top management in ADNOC, and become discouraged that they are passed on to a lower ranking official.

British trade officials have also criticised UK companies for making poor representations a comment which was passed on by ADNOC officials. The sales resentation often lacks simple chures and a detailed description of previous work in the They tend to think they are famous and that that is enough,' said one official.

It is also advisable that a partnership with a well-known Abu Dhablan he entered into rather than securing a sponsor. For ADNOC will undoubtedly s to know what is give preference to local joint They don't normally ventures, Local trade regulations also require that the sponsor or partner must be of Abu Dhabl origin rather than from any other emirate. Many Dubalthey have to start all over again in Abu Dhabi in securing part-ners and connections.

Yet British companies have already been able to secure a substantial amount of work on the ADNOC schemes. The local partnership of Mowlem, Quebeisi Mowlem, is engaged on a \$13m wharf at Ruweis: British Steel Corporation is to supply the steel for the jetty; Sir Alexander Gibb and Partners are the consultants on the bulk carrier port; at Habshan Capper Neill is engaged on a small plant to process gas for by Abu Dhabi power stations. In the Zakum field development scheme Preece Cardew and Rider are the connetwork, and Ameron-Serete is working in conjunction with Foster Wheeler Francais on the offshore platforms. GEC is providing compressors and generating sets for the Zakun

Kathleen Bishtawi



Building work in progress on the approach road to the new bridge over Sharjah Creek

contractors, is that besides the completion or near completion major contracts, attention has now switched to the richer even to slow down, let alone capital, Abu Dhabi. Yet Abu Dhahi has always been a more difficult market to penetrate and work in than Dubai. In Dubai British consultancy are making a healthy living in this town of the British presence dates back over 15 years, and thus UK contractors were well placed when the boom began. Abu Dhabi is by comparison a late developer, and the competition more heated and internationally

more stringent, for local trade should have at least a sponsor and that any partnership should he 51 per cent owned by Abu Dhabi nationals. The number of suitable partners for prestigious firms is also running out, for the best and most

cutbacks in development budgets. Three months ago the executive council of the local emirate Government declared a moratorium on any new projects. The major infrastructure projects were already underway, and any new project would have meant an increase in immigration, an undesirable happening, it was felt in a society where local Arabs constitute only 15 per cent of the population. The Govern-ment earmarked \$1.4bn to finish off existing projects last year and a further \$2bn this

Nor are federal ministries of work they were two years though the occasional because of its tendency always kind of market. It usually turns time, because I know they are looking for a cheap job, not necessarily a quality job." In recent months local and

The potential of the private sector in Abu Dhabi has also year turned very sour.

The ban on the issue of new building permits now being enforced by the local municipality has thrown a number of local contractors in to panic. Many regard the ban as formal notification from the Govern-

### Bahrain

## Waiting for the causeway

linking Saudi Arabia to Bahrain first became a serious topic of conversation in the island, one Western expatriate wittily dubbed it "the Channel Tunnel project of the Gulf." During 1978 this witticism seemed to contain more than a grain of The issue date for tender documents was repeatedly mooted - and then postponed. The \$1bn project, which was to be financed entirely by Saudi Arabia, seemed to have slipped on Saudi's list of priorities.

But the present disturbances in Iran may concentrate the Saudi mind and remind it of the original security reasons for linking Bahrain to the mainland. The more optimistic commentators in Bahrain are now hoping that tender documents will be issued, for pre-qualification bids, in February or March this year. This event would not only inspire international contractors capable of undertaking such a massive work, hut also local Bahraini contractors who might expect to pick up a few crumbs from whichever consortium wins the contract.

#### Competent

There is, for example, a projected township for 5.000 workers associated with the 25 km causeway which a company such as Bahrain's United Building Factory, or some of the bigger Bahraini contractors, would be competent to complete. It is practical politics to expect that whichever international consortium wins the major causeway work will have found it expedient to involve Bahraini (and Saudi) sub-contractors or suppliers where feasible.

Design work for the causeway was completed by the Saudi-Danish consultants last year. There are to be 12 km of bridges, over 10 km of causecity, and the new bank is Arabia. Customs posts will be tract proved to be beyond its required as well as road interchanges and the township. The first consortium to be publicly banks which have in the last announced was formed by Mr. which enabled the contractor to Adnan Khashoggi's Triad group in association with the British companies Tarmac and Redpath Dorman Long. At least two other consortia are reported to ran out and there was talk that

he being formed but rather the performance bond might be

more quietly. Apart from the causeway sought an injunction to prevent

WHEN THE idea of a causeway project, and possibly tenders for the bond holder from paying on growing rapidly—at over 3 the sports complex at Isa Town call—and everyone waited to cent a year—and the old style (big enough to host the Asian see what would happen. Nothing of living three generations to a Games and again to be paid for did. by the Saudis), there is very little in the way of major new practise the art of doing nothing. Ministry has hoped to construct works in Bahrain. Work at or at most very little, on a some 2,000 housing units a year, Mina Sulman port is rapidly number of their real estate but this has not always been nearing completion, the \$30m gas gathering project is under the first contract of any size to be won by a Japanese contractor in Bahrain-the road works continue at an unexciting pace as does the multi-million dinar water and sewerage programme. Work is scarce and some contractors are reported to be continuing work today for guaranteed payment to-morrow (or the day after) in

order to keep their men and

equipment in use.

The main emphasis in the sector, largely concerned with office, domestic and hotel accommodation, is on renovation of houses and completion of office blocks started two years or so ago. Renovation work on the older houses (built in the late 1940s and early 1950s), by companies such as Projects, has often turned out to be both aesthetically and economically pleasing. It has been found that spending a few thousand dinars on new windows, plastering and airconditioning units can raise an old house up to modern rental values. New houses are expected to cost around \$150,000 plus to build, and monthly rentals have dropped back to around \$1,400 as opposed to virtually double that two years ago. Bahraini landlords and

traders have still not fully

adjusted to the more modest

post-boom margins.

A number of contractors and suppliers are known to be having a very hard time, a few staving off bankruptcy on a dayto-day basis. There has been only one liquidation (not yet completed) of any size in Bahrain during the past year and that was semi-voluntary. The company concerned was involved in a number of contracts, but one Government conmanagement capabilities. true Bahraini fashion a number of compromises were made appear to be finishing the contract while in actuality it was done by another. At one point, however, the client's patience

called. The contractor reportedly

loans. There are no long or possible. medium term lending institu-tions in Bahrain (the Offshore the lend to local borrowers with specific Government permission), so developers have had to borrow from the commercial banks with the maximum borrowing term being seven years. In some cases this is going to succession as costs have escalated and prospective returns

A classic example of this problem is the Diplomate Hotel project being built by Hyundai, where the capital has virtually been doubled since inception and two substantial loans—largely from Kuwaiti institutions—have had to be organised, as well as a small Government stake. The loan terms are fairly

a large housing programme as the Bahraini population is

house is giving way to the Banks in Bahrain have had to nuclear family. The Housing

A major beneficiary of he Government's housing Bank Units (OBUS) can only programme is the 60 per cent Government-owned United Building Factories (UBF) which uses the Camus pre-castbuilding system. The company. at present is finishing 500 houses and 150 flats at Isa Town and is midway through the have to be seven years twice in programme, for another 300 houses there. It is on the point of handing over five schools to the Public Works Ministry and is working on a number of welfare buildings.

UBF believes it can be viable on a throughput of 600-700 which the Government has half promised to supply, and it is now seriously setting about pre-qualifying for contracts in Saudi Arabia and Abu Dhabi. ough. Of course, a causeway to the The Bahrain Government has mainland would be a great help.

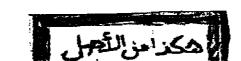
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## Ser Long-term potential

trag remains one of the least particular, made it necessary for known of the major Arab off the 1976-80 plan to be of more producers. Contractors, fearful modest dimensions than had of the heavy state control in been previously hoped.

Beghand, have in the past But Iraq also suffered from looked to essier conditions in the same problems of other oil the lower Guif.

Iraq cannot be questioned. Its using the new oil revenues after population is now 12.3m people the 1973-74 oil price rises. population is now 12.3m people and oil production is planned to rise to 3.5m barrels a day by 1980. The size of its oil reserves are uncertain because reserves are uncertain because of skilled manpower. Ambitious of lack of exploration in the plans for industrial projects past, but the Oil Ministry has have now been severely trun-claimed in the past that re-cated and the emphasis is on serves may be as high as 95bn building up the infrastructure parrels. This gives Iraq the and on completing and putting

the contractors have approached mus are working on a \$1,000m Iraq is partly, but not entirely, petrochemicals plant. Creusof-justified by the isolation of the Loire has had difficulties with Government in Baghdad since its steel plant close by.
it took power in 1968. Initially The 1976-80 development
it faced a series of attempted plan was delayed as the Iraqi coups. Then from 1973 on it leadership tried to re-order had to cope with the final their priorities. They are now Kurdish revolt up to 1975, when essentially working from year the rebellion was ended through an agreement between Bakhdad and the Kurd's backers in Iran.

between Kirkuk and the Mediterranean, which transits Syrian territory, was closed, Subsequently transport by road and rail across Syria was choked off. These problems are now being Iraq and the

AS STRIKES sweep across the . The changing political scene, Iranian eilfields cutting their and the intermittent slowdown exports to almost nothing. Iraq of oil exports, has had an impact has become the second largest on Iraqi planning. The closing oil exporter in the world. Yet of the trans-Syrian pipeline, in

The long-term potential of forward towards development

Ports became congested. Bottlenecks developed. Everywhere there was a chronic lack second largest reserves in the into operation such projects as area after Saudi Arabia, higher the urea plant which Missibishi than Iran's.

is building near Basra. In the The trepidation with which same area Thyssen and Lum-

> plan was delayed as the Iraqi essentially working from year to year plans rather than the 1976-80 development plan.

Industry is receiving some The termination of the long 41 per cent of the total plan running dispute with Syria and expenditure of \$49bn—though the Baghdad Government this figure should be treated following the Camp David agree—with caution. In theory agricultural so strengthened the Government in 1976 the oil-pipeline duates from agricultural collective of Kirkink and the lesses this is true. But its

Austria and the developing southern oilfields.

a good alternative source of

The United States has no embassy in Baghdad and its commercial hopes have been limited by boycott restrictions and political differences. But it is important to note that Iraqi Airways relies on Boeing aircraft and Brown and Root constructed a large oil terminal on the Gulf. Some Iraqis would dearly like American oil technology.

A worry for contractors is that the Iraqis are tough on prices (though satisfactory in maintaining progress pay-ments). More important is that, in the past, the Iraqis have linked the awarding of contracts to individual countries with the purchase of Iraqi crude.

In the spring of last year an embargo was started by the Iraqis on orders from West Germany to try to get the West Germans, the largest suppliers, to raise the amount of Iraqi oil they were using.

the gap left by the Germans. But in the middle of the year the expulsion of Iraqi diplomats from Britain led to a highly duates from agricultural col-leges this is true. But its posed on UK imports. Wimpey capacity to absorb investment had hoped to win a \$1.2m railis limited and is unlikely to rise way contract, which has now above 20 per cent... gone to Mendes Junior of Brazil.

The agricultural projects have After France and Italy, Brazil frequently involved British con- is the largest consumer of Iraqi resolved and the connection sultants. But the major con- crude, and Petrobras, the State tracts have been going to the oil company, has an exploration Soviet Union, Yugoslavia, and development contract in the

ountries.

The tighter market for oil
The biggest exporters to may make the Iraqis less intent Iraq in the past have been West on linking the award of con-Germany and Japan, which tracts to a country's imports of have received the lion's share of Iraqi crude. But it is notice-Germany and Japan, which tracts to a country's imports of have received the lion's share of Iraqi crude. But it is notice-construction contracts. The able that smaller countries, Japanese have looked to Iraq such as Finland, Austria, Brazil, India and Yugoslavia, have be oil if there was disruption of doing particularly well. Concurrent supplies and have sumption of Iraqi crude has organised a \$2bn credit to help win major contracts.

Companies working in Iraq often complain of the difficulty in dealing with the complex Iraqi bureaucracy. This tends to vary from one State organisation to another. An additional problem is the provision of labour. The Iraqis, differing from other Arab oil producers, have never encouraged immi-grant workers, though Egyptians very visible as hotel waiters.

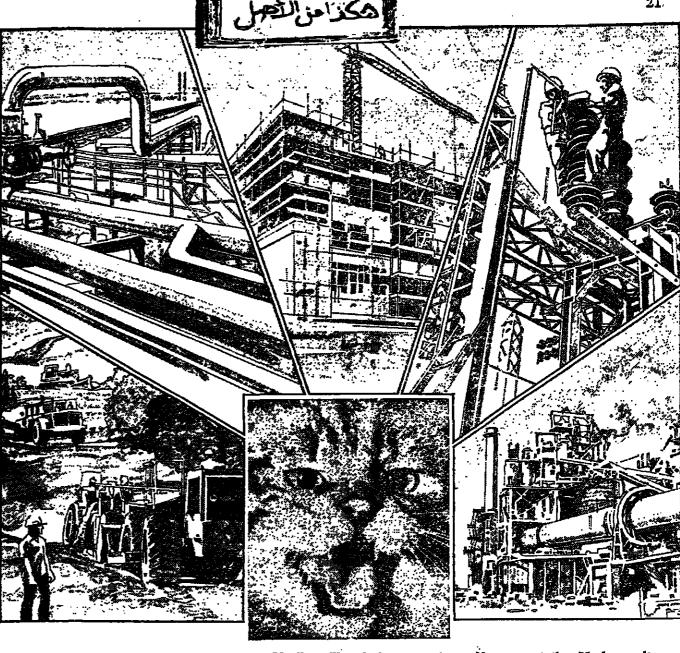
Hence they emphasise the training development aspect of contracts. They are deeply con-scious of the need for more trained Iraqi personnel.
This has also led to the award
of school and college contracts

on a turnkey basis over the past year. The Japanese and the Finns have been the main beneficiaries. There are also plans to increase the supply of housing very rapidly over the next five years.

For the construction industry

aq's potential remains ver Other suppliers hoped to fill large but requires patience and he gap left by the Germans. experience. From 1974 onwards Iran and the other States of the Gulf looked more attractive propositions. But the long-term needs of Iraq for infrastructure, industry and agriculture are far greater than those of the small populations of the lower Gulf. Knowledge of the future potential has to be weighed very against current

Patrick Cockburn



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most of its Arab neighbours in work for international con-development was scarce and in But perhaps the jewel in the coming to terms with the tractors. For the fact is that, which services could not cope company's crown is the Medinat coming to terms with the tractors. For the fact is that, which services could not cope twentieth century, it has along with some of its other with the demands being put Qaboos housing and apartment certainly made up for lost time. Arab neighbours, the country upon them.

Communing a strategically vital has experienced an economic Whole areas became constructions. Sultan has taken a close and special interest. position on the south eastern slowdown as a result of financial tion sites almost overnight, and corner of the Arabian penin- stringency, which has inevitably entire landscapes were transsular and overlooking the curtailed the rapid rate of infra- formed as high, rocky outcrops

of ancient and modern, a Before the period of slower country of contrasts with its growth development in the mud-built multi-storey homes country had proceeded at a and its ultra-modern inter-rate which was barely surpassed national hotels, a nation of anywhere in the region. Conproud tradition and boundless struction activity in the north, around the capital Muscat and For the moment, however, it Mutrah, had reached the stage

gave way to office, shop and housing developments.

In the southern province of bewildering but delightful mix Sultan, Caboos bin Sa'id in 1970. Dhofar, separated from the north by hundreds of miles of inhospitable and largely unpopulated Interior a guerrilla war ended only in 1975, but more recently development in the area has gathered momentum, partly as a result of the Sultan's desire to retain the loyalty of the Dhofaris and to bring their standard of living

up to that of Northern Oman. A country with some rainfall that has traditionally been heavily dependent on agriculture for its livelihood, Oman has plans to develop a range of light industries-some already apparent-in an attempt to break with its traditional economic base. With substantial petroleum revenues and other important natural resources such as copper and other minerals, heavy invest-ment is being made in these areas and in industries like fishing, as well as in the continuing expansion and improvement of the country's infra-

So although the medium to longer-term outlook for construction activity in the country must be regarded as good, the current situation—in which few substantial contracts are going out to tender-represents anything but a buoyant one for contractors in search of work.
Oman has traditionally close

structure.

ties with the UK, and several of this country's major inter-national building and civil engineering operations carried out work there. None, however, regard the country as one which offers any immediate growth prospects and work has become very thin on the ground.

contractors. Some. maintaining a presence in the country, have no contracts in hand and are simply biding their time until the position improves. UK companies which have undertaken work in Oman include Wimpey, Costain, Tarmac and Paulings. One of the most successful to date has been Taylor Woodrow, through its parinership with local con-tractor W. J. Towell.

Taylor Woodrow Towell has managed to win large volumes of work throughout the country since modernisation began, some involving projects for the Sultan himself and much of it centred on defence, police, health and education projects. The company has, for example, recently completed a two-year contract for the construction of marine police base and has also finished work on an army training school which boasts all

Claimed to represent the best residential area in Oman, the development was started in 1973 on a site a short distance out of the capital, the first completely private enterprise operation of its type in the country.

The eastern section of what is essentially a new town offers about 550 houses, villas and apartments and was developed by W. J. Towell, and built by Cementation (Jersey). Most of the properties are being offered on short leases and the whole development is being managed by Taylor Woodrow Towell.

The western section, which comprises houses for sale, is now about half complete, was designed by Taylor Woodrow International, and the main contractors and developers are the Oman International Development Company. Sales towards the end of last year were reportedly slack, although there have been signs that interest

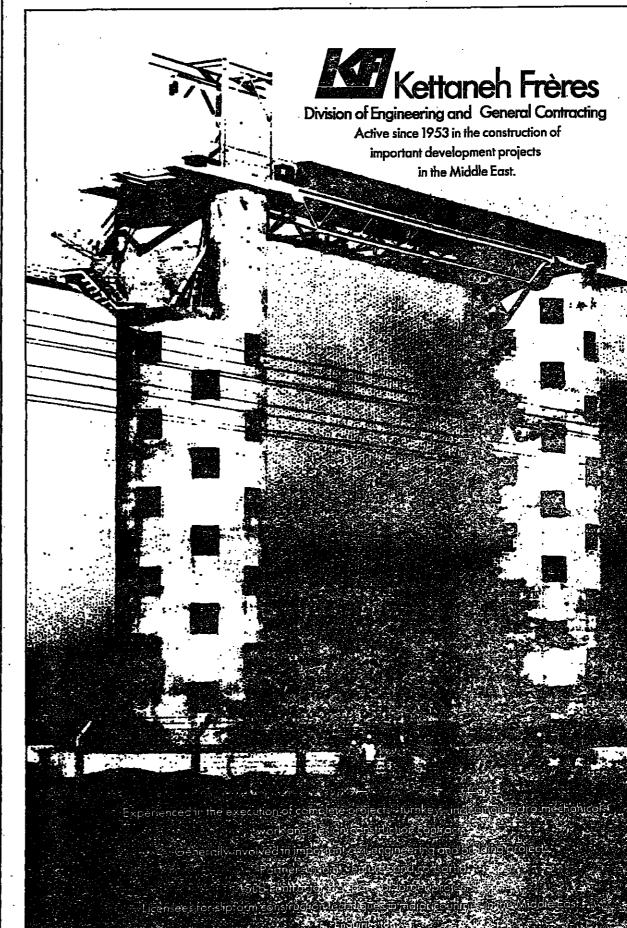
is picking up.
Few developments will presumably match the Medinat Qaboos standards, but the provision of housing in Oman does represent an area with considerable potential for future contractors. It is already clear that preferences are changing from the initially essential prefabricated housing unit towards more traditionally built property.

Away from housing, road developments will also continue to play a major part in future development strategy. Since the early days of the new programme, over 1,000 km graded roads have been built, many linking the country with the nearby United Arab Emirates and improving communications between domestic centres.

The opening up of the interior and the improvement of north-south land links should provide substantial volumes of work of this type. Companies such as Wimpey

have already been participating in road contracts, but they have to contend with some very tough competition from other international specialists such as Joanna and Paraskevedes of Greece, which has developed a sizeable contracting operation in Oman, picking up work involving military projects, road construction and airport pro-

The UK presence has by no means been eclipsed, however, and the success of consultants like Halcrow and Scott Wilson Kirkpatrick is as notable as any progress made by the contractors themselves. Both sectors hope Oman will prove to be a market of the future, if not of



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### North Yemen

## Contractors move in

ONE OF the most romantic projects in the Arabian peninsula is to be found in North Yemen the reconstruction of the giant of the mountains surrounding Sana'a, the country's capital. Ma'rib was the Queen of Sheba's capital and a flourishing commercial centre in the days of the Arabia Felix.

Shaikh Zaid of Abu Dhabi. president of the United Arab is personally came from the area. It is November.

reported that he himself will finance the rebuilding finance the rebuilding of the dam if feasible (if not a new dam may possibly be built on a new site). Electrowatt of Switzerland is doing the feasibility study.

But North Yemen's construction plans are not limited to rebuilding the past. The country has published an ambitious \$3.6bn five-year development plan which is aimed to lay the foundations for raising the country from its medieval subsistance agricultural economy to a modern light industrial state supported by a flourishing agriculture. The first step-the primary objective of the current plan—is to create the infrastructure. Many of the projects in the five-year plan, roads, power plants, telecommunications, water and sewerage, ports and airports, schools, hospitals and housing, could be started in the coming year or A number of contractors and consultants who are running out of work on the other side of the Arabian peninsula are already in North Yemen, hoping for future work.

Those contractors, however, will find working in the Yemen different from in the small but first and most obvious difference is that the North Yemen Government is poor. The bulk of the projects in the five-year plan are to be financed by aid from out they are often implemented side though some, it is hoped. by the Yemeni private sector. Fortunately so far it seems that the aid is readily forthcoming from both Arab and Western sources (and a little from the Chinese and Japanese). Already

COSTAIN HAS BEEN IN THE

For contractors and consuland historic Ma'rib dam, east tants this means lobbying the various aid agencies as well as the North Yemen Government in order to get on to the prequalification lists. The essential ministry to get to know is the frankincense trade. The dam at Central Planning Organisation Marlb retained the waters that (CPO) which, with UNDP assisting territory and gave the plan and will oversee its imple-country its historic title of mentation. The CDO and implementation. The CPO administers the tender and prequalifica-tion procedure for all the major projects, such as the \$300m power generation and distribution scheme for which

#### Change

A feature of this particular contract—which hopeful contractors would do well to notice — was the insistence of the Yemenis on some indication of what credit would be available in in the contractor's home country. While the CPO made it perfectly clear that a tied proposal-" give us the contract and we will give you so much credit — was not what was wanted (and might, indeed, be resented), an indication of credit availability was of prime importance.
While contractors and con-

sultants should make themselves known to the CPO and the relevant aid fund underwriting the project in which they are interested, contact should also be made with the appropriate ministry. The excellent COMET (Committee on Middle East Trade) report on North Yemen, published in September, 1978, and costing £6, points out that contacts should be made at high levels-North Yemen even more than the other Arab states, suffers from a serious lack of adequate middle and lower rank capital), Taiz and Hodeidah. Arab Republic strikingly civil servants and managers. As The Sana'a work is being different from in the small but a consequence, senior officials carried out by Lilley Internated wealthy Gulf sheikhdoms. The are inundated with work—and tional of the United Kingdom yet always accessible-which means that arriving at decisions is often a protracted process. Yet once decisions are made,

quickly. It is vital for those seriously looking for work to have a representative on the spot. Communications with North Yemen are not good enough for companies to rely on telephone and North Yemen has received telex messages keeping them up

towards the cost of its five-year always respond to them. As working on a water project of a shareholders are Yemeni citizens a model legal document as the plan:

| Standard of them | As working on a water project of a shareholders are Yemeni citizens a model legal document as the plan.

| Standard of them | Standard of them | As working on a water project of a shareholders are Yemeni citizens a model legal document as the plan.

| Standard of them | Standard of th undertake the major works tion studies are being carried development projects under second. Where a project is to scheduled in the five-year plan out on some of the wadis run study, including two possible be funded by one of the many but many are seeking to reprening from the mountains down. Sheratons. The hotel studies aid bodies helping. North sent international contractors, to the Tihama coastal plain, and are being done by the British. Yemen, standard FIDIC terms active principal and employees dam building projects with asso- Howarth is essential to help the ciated access roads and other Land in foreigner cope with the lower extension work. levels of Yemeni bureaucracy

as well as keeping in touch with the top civil servants," one established international contractor comments. British consultants, while

they do not have such a strong position as in some Gulf states, are quite conspicuous in North Yemen. Sir Alexander Gibb is consultant to the Hodeidan port project, adding a sixth berth, handling equipment and service buildings. It is also supervising the work at Mocha, the ancient coffee exporting port which is being done by Dutch contractors. In consortium with the French consultants Ingeroute. it is working on a number of road projects. Alone it has the consultancy brief for four small airports — North domestic Yemen covers some 200,000 square km of high mountains and extensive plains, making internal communications difficult. Kennedy and Donkin is the consultant to the Yemen General Electricity Corporation, working on the country's power generation and distribution programme under the five year plan North Yemen plans to spend \$190m on it. According to the COMET report present installed capacity in North Yemen is around 17.5 MW. Immediate as well as long solutions to the power supply prob-

There is a \$100m water and sewerage project under way covering the three main towns of North Yemen, Sana'a (the which hoped to have completed its work around the turn of 1978-79, the consultant is There is a new Yemeni- employees—as details cannot be Howard Humphreys. The Sir Kuwaiti Real Estate Develop- added later. If further contracts 1978-79.

lem are necessary.

"A local representative with an these will lead to a number of consultancy Howarth and are usually followed. Although

cations (for both political and economic reasons). Most of the villages in which North Yemen's population of 6m or more live are not linked into any metalled road system. The only proper asphalted and graded roads are those linking Sana'a to Hoder dah, the latter to Taiz and Taiz to Sana'a, and from Sana'a to the northern city of Sa'ada. Village co-operatives are busy building access roads but, as anyone flying into Sana'a can see from the windows of the aircraft, the construction of roads in Yemen's mountainous territory will be an enormous engineering challenge. Some \$520m is estimated to be needed for first priority roads and a-\$230m for second further priority. There are, in all, some 42 road building and maintenance schemes of which 28 are on the first priority list....

Housing too, is a major priority of the North Yemen Government. A 2,000-unit town ship is being built outside Sana's by the Spanish company I. G. Varia, and the CPO is believed to be planning a second township of about the same size. Arabia), now said to total around \$1.4bn annually, means foreign partner.
that new building is going on in The Yemenis. virtually every village in North Yemen. A Kuwaiti real estate developer has put up a specula-tive development of prefabricated houses outside Sana'a and is planning more.

A major part of the five-year sile. Construction costs are also between 2 and 5 per cent hid plan is taken up with the soaring as Yemeni labour bonds, and 10 per cent perform improvement of road community becomes more expensive, keep ance bonds with up to 20 per improvement of road community becomes more expensive, keep ance bonds with up to 20 per improvement of road community and the source with the important control of the control of labourer has priced himself out ated on a fixed price basis. of the market and the Government has permitted contractors

as tough bargainers, who still coups and two presidents tend to go for the lowest price, assassinated in the past two skills are given their due value. This does, however, mean that Western contractors will face stiff competition from Asian and Far Eastern contractors and from Africa. There are a number of Sudanese in consultancy positions with the Government and an Ethiopian contractor is building the Yemen Atrways Corpora-

#### Competition

there may also be competition from a major Yemeni contracting company. It is known that But it is in the residential foreign contractor of inter the same. There is a strong sector that private projects come national standing and that it commitment to private enter to the fore. The high level of would be prepared to guarantee prize and the two key factors remittances from expatriate work to the new company. So Yemenis (mostly in Saudi far there is no betting in Saua'a-

tors to include every possible tion by means of the swift way detail in initial draft contracts in which he dealt with an advantage of the swift way attempted army company. food and drink for company November last year.

there is no formal codification Land in North Yemen is of bid and performance bonds expensive and not readily avail in practice these tend to be able. Construction costs are also between 2 and 5 per cent hid ing pace with an inflation rate cent retention possibilities on around the 30 per cent mark, construction contracts. So far In some cases the Yemeni all contracts have been negoti-

But it is the question of the stability of the North Yemen to bring in Asian and Egyptian Government, rather than its tough negotiating posture; that Yemenis, both as private worries many international concitizens and as Government sultants and contractors. With officials, are commonly regarded nearly haif a score of attempted although engineering and other years, they have reason for concern But long-term ex-patriate residents of Sana'apoint to the fact that the Yemeni economy seems to be largely unaffected by the political upheavals. When Presidents have changed, there has inevitably been a temporary histus in Government decision making. The private sector has been quiet for a few days and then business life returned to

Since the impressive and In the not too distant future relatively long-serving President Thrahim al-Hamdi was murdered in October, 1977 there have been three successive leaders the Government is eager to set, but the complexion of the up a national contracting com. Government of the YAR has pany in partnership with a in broad terms, remained much underpinning the economy—the flow of official aid and workers' as to the name of a possible remittances from Saudi Arabia have continued unchanged It The Yemenis are also tough is also pointed out that Presi-n contract terms, and the dent Ali Abdullah al-Saleh may COMET report advises contrac- well have strengthened his posi-

- Doina Thomas

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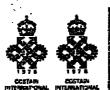
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EGYPT REPRESENTS poten remains very high. comes to materials sales lems are accentuated by the tially que of the most exciting. So although the country may although it will have to keep inward drift of people from markets for construction work in the entire Arab world. version of "a sleeping giant," it is already showing enough With 38m people, the country has the largest population of signs of life to interest the the region and one of the contractor or civil engineer who greatest undeveloped land wishes to maintain a presence masses in the Middle East. But in the Middle East and is finding more important, it has resolved it increasingly hard to find work to embark on an ambitious plan in those countries where basic

of modernisation and develop-ment which will inevitably require the assistance and resources of non-Egyptians. In this respect, the prospects for business for the UK building and civil engineering sector seem boundless. As the briefest of visits to Cairo will confirm, the Egyptians like the British, and the few contractors who have ventured into the country since the post-Nasser "openpolicy took effect have likened the atmosphere to that which exists in parts of the Gulf, where historical links with the UK can often repre-

sent a head start in the race Egypt is not immediately ripe for the picking, however. It is a country of enormous frustrations and endless bureaucracy and, most important of all, it remains relatively poor. So far at least, its ambitions have been severely curtailed by a painful lack of finance, but there is hope that the outlook is much brighter.

### Cotton

economy is now undergoing a period of significant change and diversification, and since the 1973 war with Israel the Govern-ment has attempted to encourage domestic and foreign private investment and slowly to pull down much of the bureaucracy which has ham-

Now petroleum production is rising (the country is self-sufficient in oil) and export revenue is increasing. In addition, the reopening of the Suez Canal has provided a badly needed economic boost and a country once almost whollytuned to agriculture is developing mining and manufacturing industries, extending into engineering, electronics. chemicals and construction materials and also emerging as a significant regional centre for commercial and financial

The high cost of defence (a peace settlement should relieve enormous financial pressures and bring a boost in the form of overseas investment), the heavy requirements of Government in an extensive bureaucracy and expenditure on consumer subsidies have led to large Government budget deficits, which does appear to be ahead of other

development is well advanced.

The total value of major construction projects in Egypt, under way or provisionally costed, amounts to no less than £11bn, and although the level of activity this figure suggests will be spread over a number of years it should be sufficient to sustain a major construction boom in the country.

Egypt is not, of course, without its own building and civil engineering fraternity, but it is already clear that it needs, and wants, help in the form of outside participation. Some UK contractors have been quick off

Few have been quicker than Higgs and Hill, which is now developing the ultra-modern Cairo Plaza project on the banks of the Nile in the capital. The management fee agreement is worth in excess of £35m and involves the construction of twin, 39-storey towers for use as apartments and offices. A shopping exhibition and conference centre will also be included in the complex, due for completion in 1981.

Traditionally dependent upon the export of cotton, Egypt's economy is now understanding yet to be awarded in Fourteents. yet to be awarded in Egypt and is something of a coup for both Higgs and Hill and the UK. It is certainly the kind of valuable foot in the door which could provide a smoother entry for

But as Higgs and Hill itself point out, the work is not easy. to win and the execution of the contract is not exactly trouble free. The contractor has to cope with a situation in which different disciplines prevail, or to put it more bluntly, in which lower standards often exist. There is an educational role to fulfil as well as a construction job to be done.

But despite the fact that the Egypt does not represent the easiest of environments in which to work, international competition is already apparent. The Americans in particular are recording contract successes, and countries such as Switzerland are also winning work. As yet there are few Far Eastern contractors though there is no reason why more should not

For the time being, the UK have been financed by borrow. European competitors—it is ing. Egypt's external debt doing particularly well when it edge which exists.

in Egypt. Tarmac Overseas, in the Suez Canal at El Shallufa. near Port Suez. The multimillion pound contract is well underway and the tunnel is dueto be operational by 1980. The original value of the work was £30m, although this figure is: now very much out of date.

#### Supertankers

Other contractors in the country include- Cementation (through Cleveland Bridge and Engineering Middle East) and Bovis, currently engaged on a contract for the refurbishment of the world-famous Shepheard's Hotel in Cairo.

The largest single project in Egypt must be the first phase of the plan to deepen and widen the Suez Canal, so that it is capable of accommodating the 150,000 dwt supertankers. The use the canal, is calculated to cost (at current prices) about £1.5bn, with most of the finance coming from the International has already provided over fi00m in aid for the project, and one Japanese company, Mitsui, has already picked up substantial canal associated

Elsewhere. Port Said other companies which attempt Ismailia and Port Suez are to be modernised as part of a redevelopment programme in the canal zone, which will cost an estimated 16bn over the next couple of decades.

The programme will involve the construction of more road tunnels, the reciamation of land and the creation of new population centres destined to provide

The second largest project in the country is the scheme to upturn in construction activity construct new cities in the is barely off the ground and that desert to relieve the city of Egypt does not represent the Cairo which now has an estimated population of 9m and represents one of the most tangled and chaotic urban centres in the world. Its prob-

Higgs and Hill is not alone tion, and the development of a series of overspill cities is now Joint venture with Osman regarded as a major priority in Ahmed Osman, is constructing the overall development protwo-lane road tunnel under gramme. Four new cities are ne Suez Canal at El Shallufa, envisaged: Sadat City on the ear Port Suez. The multi-Cairo Alexandria road Ramadan City on the Cairo-Ismailia road, King Khaled City on the Cairo Fayoum route and El Obour City

> Work on Ramadan City has already started at a projected cost of £400m, and activity on some of the other centres is now about to start. The prospects for system-built-housing would appear to be immense.

on the Cairo-Bilbeis desert road.

In Cairo itself, plans are also drawn up for the first phase of metro system, designed to help relieve some of the capital's mounting congestion problems. The cost could be as high as £600m and is being funded by the French and by Arab bankers.

The contractor aware of these plans and more and con-sequently considering Egypt as a market worth taking seriously entire project, including the would be well advised to carry second phase which will enable out the type of background loaded 250,000 dwt tankers to research which forms an essential preliminary to activity in any of the Arab states.

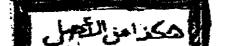
He will find the country represents a market place in Bank for Reconstruction and which many of the alien and Development, the Arab oil for the obtsider, problematical states and the Japanese. Japan social restrictions and customs found in other Arab states do not exist. On the other hand, governing the labour market and some fairly protracted businesses. Egyptian private or public sector participation is usually required.

As a construction market.
Egypt has enormous potential and there may be much to be gained by heing among the first overseas operators to establish firm roots in the country.

There is still however widespread reluctance on the part of many remaining the part of

many companies to become committed in a country whose ambitions may well prove to exceed its financial cap The mushrooming and liberalisation of the hanking sector—involving Egyptian and foreign banks—should at least indicate that things, are beginning to move in the right direction.





# BY JUREK MARTIN, U.S. EDITOR, IN WASI

NOW THAT he is no longer combat the Russian mentice, running for President and his To enother group, the chronic back condition is ins question is what over the comproved Senator Edmund Musice ing months, Congress will do has become rather good at offer to Mr. Carter's bluer wint, the ing a sense of perspective. Thus, he was heard to remark the

today, is one in which precise numbers have become the name of the game. Mr. Carter likes to play it himself: at his Press conference last week he claimed. with pride that not only had he managed to meet his self-appointed target of reducing the deficit to \$30bn but that he had. actually beaten that figure by exactly \$1bn. This meant, he said, that he had more than halved the deficit since he took office two years ago and showed that the federal government was earnest in shouldering its share-

conservative movement is in the process of being taken over by Governor Jerry Brown of Cali-fornia, who thinks he can ride it to the White House next year, and has already been sharply criticised as "dangerous" by the President. For liberals, the promised 3 per cent increase in defence spending and commensurate cuts on social ser-

ing months. Congress will do to Mr. Carter's blue wint, the main numbers of which have ing a sense of perspective. Thus, the was heard to remark the other day, what is the point of worrying about a billion dollars here or there on the federal budget deficit in a trillion dollar economy?

Linfortunately, the budget for the 1980 fiscal year, beginning in October, which President Carter presents to the nation that y is one in which precise budget's coreposition. A differbudget's cov position. A different school enaintains that the budget is raore or less irrelevant and that the answer to inflation lies on the monetary side of the coin with the Federal

#### Recession

The main question of the moment into which context the budget must be placed, is whether the U.S. economy can Others are wafching the curbing inflation or, if not months. The principal factor with equal intensity, when it will come and how deep one growing school of thought and long lasting it will be. There is currently demanding that the is some side debate as to federal government should be whether of not the mades. avoid a recession (as the federal government should be whether or not the modest real prevented by constitutional rate of growth projected for amendment from running any 1979 by the government of 2-24 sort of deficit. This essentially per cent is in reality a growth recession" because it could be under the long-rim potential expansion of the economy. But, for the most part, the focus is on the chances of the U.S. incurring a recession in the technical sense of the wordthat is, two consecutive quarters with negative real growth.

Before last October, the mensurate cuts on social ser sective last octave, and supply the mousing misture of the special ser section of experts were divided on when tial bettlenecks and supply tions provide the industry with appearing through the floor. Further tax cuts, the residual 1980 then he may be in trouble, domestic responsibilities, while the four-year-long recovery problems in evidence. Inven- a degree of insulation from the Moreover, as Professor consequences of last year's He could be attacked from for conservatives yet more is would finally run out of steam, tories are in a comfortably low worst monetary travails that it Samuelson so elequently dollar deterioration and the inside the Democratic party needed for the military to After the President had un-ratio to sales, with few signs has not emjoyed before. Per- pointed out in this space on possibility of further future from both the neo-Right (into

veiled his austere domestic antiinflation policies and the doHar support package, which came wrapped up in the promise of tighter Federal Reserve monetary polices, the conwas that an outright recession had been made much more likely by the middle to latter half of this year, but that it would be relatively mild and short. Since then, and without much consensus, events have induced the seers—but not the Administration—to suggest that the downturn will be deeper and later, perhaps delayed until

The principal developments have been the staggered OPEC oil price narreases over the the possibility of further inter-ruption of supplies from Iran, and, perhaps more important, the persistent vigour of the economy. In the final quarter of last year, figures released last week showed Gross National Product rose by 6.1 per cent in taining for months-that the economy, remarkably so given the length of the recovery from the 1974-75 recession. remains in extremely good balance.

Most of the vital organs scem to be working well. Industrial production continues to advance respectably, the nation's factories are operating at over \$5 per cent of capacity and there are only isolated cases of poten-



President Carter-hard choices in the shadow of a 1980 election year.

of the frenetic build-up and sonal income is advancing subsequent sharp reduction of healthily and if the savings rate stocks that characterised the remains too low and consumer onset of the last recession, debt too high there is no real Housing starts are still running suggestion yet that consumers at well over the 2m units per are embarking on a last wild amum level in spite of higher spending spree before the interest rates and, while this is Titanic goes down. At the same likely to drop somewhat, it is time, business spending plans, generally accepted now that the while lower than the Administration might like, do not seem act of Congress, the outside economy is not moving in the put out by the housing institu-

based growth of the economy of the harvest (with the citrus has enabled the country to crops in California and Texas accommodate a far greater already badly damaged this expansion in the labour force winter), plus the probability of than had been forecast. Failure additional expensive support to meet the demand for jobsmore than 7m were created in the last two years—would have exacerbated domestic social strains, as well as placing a much heavier burden on the federal budget. Unemployment is still under 6 per cent and a will flout the wage and price higher proportion of Americans guidelines and the potential for higher proportion of Americans

are in work than ever before. Thus, viewed entirely in its domestic productive context, the U.S. economy is in by no means bad shape. The fourth quarter statistics suggest that it still has the sort of life in it which may take some time to expire in spite of the constraints being applied by the fiscal and monerary authorities.

But the perceived cancer in the economy is inflation, which, at the consumer price level, rose to over 9 per cent last year and which has been showing no signs of abatement. The Administration maintains that it is at least getting no worse and is projecting about 7.5 per cent over the course of this year, according to the Presi-But the asumptions contained therein are frequently chal-

inflationary items that could tion, for 1980 will bring the sure on costs and prices if all assumed that Mr. Carter will goes domestic oil price increases, social security and minimum

programmes for domestic agri-culture, and the assertion of protectionism in Congress. Com-bine this list with the impact of high interest rates and the distinct chance that both the unions and the corporate sector inflationary disaster is apparent.

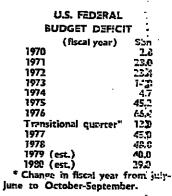
#### Guidefines

The converse-which Administration has no alternative to promulgae unless it simply succumbs to either a major recession or fully-fledged wage and price controls-is that the worst case will materialise, that the Administration's multi-pronged but still essentially gradualist and balanced policies will take hold and even, mirabile visu, that the nation will respond to the inflationary threat and abide by the guidelines.

Pruning the budget deficit is dent's "real wage insurance' an integral part of this strategy proposals unveiled last week, and there is nothing in President Carter's character to lead one to believe that he will not stick to his austerity guns. But This is hardly surprising if this year economic consideraone considers the array of tions may not be taken in isolaexert substantial upwards pres- next presidential election. It is badly - foreign and run again and, it is entirely logical to assume that all Mr. Carter's political advisers will

New Year's Eve, the broad- weakness, the imponderabilities which catagory Governor Brown has now placed himself) and with the Republicans, if they ship problems enjoying the spectacle and seeking to beneat from it,

Mr. Carter might find that the country prefers his middle-of-the-road policies to the solutions offered from the flanks, but that is a large gamble. In 1971, in not dissimilar circumstances. President Nixon caved in to the same pressures in pursuit of reelection. If the economy starts showing signs of incipient collapse towards the end of this year, and given the time lag between the introduction of more stimulatory policies and the response to them. Mr. Carter might find himself contemplating rather different



economic policies just at the very moment when the budge. he presents this morning is to go into effect. That, perhaps, is what Senator Muskie had in mind when he wondered about the significance of the odd billion dollars here or there, for the numbers game can very quickly change.

### Civil Service

Dom: F

From Mr. A. Furse Sir.—I'm sure that Mr. Layborn's letter (January 16) will be carefully considered by the four voting members of the Pay Research Unit Board, and I look involve "differentiation" as forward to seeing details of regards rates but it certainly their qualifications and their does not, in my view, involve current and previous employers "discrimination" with the more

sider the following: on April 5, would suggest that there is a 1978, you published a letter from very wide difference in fact Mr. B. Davies. It included the between the word "discrimina-

retirement increases currentiv pension schemes . . " by impli-

cation should not be used... If Mr. Davies is properly in-formed—the cat is out of the bag, The Pay Research Unit restricted its investigations so that only schemes which provide the most generous inflation providing were studied or to be more succinct, it "decided the answer required and adjusted

the evidence to fit it." May I therefore add to Mr. Layborn's admirable plea, the request that the Pay Research Unit Board should make careful inquiries about this aspect of the analogue schemes chosen, and satisfy itself that an inde endent organisation like the NAPF considers it to be representative of the generality of schemes and that the degree of inflation preofing on the analogue schemes chosen is not abrormal.

If any of the PRU's findings are eventually published, it is credibility of the PRUB and reducing the status of the Government Actuary to that of civil service spokesman on actuarial matters. From M7. A. Furse

#### Men, women and differentiation

From Monica Allanach Sir, I was surprised to see that a report (January 18) of a speech by Baroness Lockwood, when she was a guest at a private actuarial function, had appeared in the Press. Since, owever, a report has appeared. I feel that I should comment on two aspects of it.

It appears that Baroness Lockwood is trying to "instruct" actuaries as to how they should advise their clients on premium rating. This seems to me to be tantamount to interfering with their professional status. While the law is as it is, actuaries have a duty to advise their clients as to the most Having spent the past eight of market pull. But what of angerous thing, but it appropriate rates they consider years in this sector, for the most all the financially successful should be adopted taking into part teaching design, while at innovations which have come account not only actuarial and the same time endeavouring to out of production or the labora
24, Moor Drive, Leeds.

### Letters to the Editor

other data, but also any other make it a respectable bedfellow tories, the result of technology relevant factors. Thus, far from of research, I make the previous push." regarding the section of the statement with a certain amount

This advice may or may not

emotive connotations which this I would also like them to con- latter word conjures up. I following astonishing statement: tion" which implies unfairness

"the comparison which or inequity, and the word "difneeds to be made by the Government Actuary is not with
the post retirement increases for a variety of reasons (not currently provided by the only sex) If, in their judgment, From the Secretury,

generality of pension schemes. to do otherwise could result in Rather it is with the pension inequity between class of policyschemes of the restricted group boiders. To this end, they seek of employments used as ana- to take into account all the logues by the Pay Research relevant factors and advise Unit, and that study showed that appropriately as the combined mendations of the Corfield these schemes are expected to evidence of these appears to report (January 11) on engineerprovide more generous inflation them. Thus, to take an example proofing than the average not given by Baroness Lock-scheme." "... National Asso wood, women have for many ciation of Pension Funds sur- years enjoyed cheaper life veys which cover the post assurance premiums than men! If taking all relevant factors provided by the generality of into account; evidence on morcounter to that which exists at present, then no doubt actuaries generally would feel able to recommend universally to their clients that they could cease to differentiate. Unless and until this happens, I would have hoped that individual actuaries would be left free to exercise

their professional judgment and recommend "differentiation" or not as they thought appropriate in the light of all' relevant factors. It follows from this that I would also hope that their action would not be construed as " discrimination " with all that the use of that word

Monica C. Allanach. 155 Copse Hill, SW20.

#### Engineering design

From Mr. S. Pugh difficult to conceive how facts From Mr. S. Pugh concerning this aspect could be Sir.—The Financial Times omitted without destroying the fires yet another broadside from Mr. S. Pugh (January 11) in support of better product design with its summary, discussion and editorial comment upon the Corfield report. This we place alongside Feilden, Galloway, Carter, Moulton, all of which contain sound and reasoned arguments and recommendations in the same vein, spanning a period of 16 years. Many people reading your articles and the report itself will nod in agreement and in some in-stances the adrenalin will flow a little faster for a few milli-seconds before returning to normal and the maintenance of

the status quo on all fronts. Indeed, your editorial makes the most important and erudite From the Managing Director, point when it says "the educational section deserves the most argent attention" and goes on to say that the Carter and of product design" Moulton recommendations have yet to be implemented. I would suggest that the key to the the need for marketing control whole question is implementation. Has Mr. Corfield given identification of a market need thought as to how his own and or want should be the first previous recommendations may phase . . (. . this rather con-be brought into being, with in-troversial statement)" and "the tent, in the educational sector? project should be the result

Act to which she refers, as a "loophole" I regard it as a provision supporting the proposals wil require, in order of fessional standing of actuaries and hence the advice which they lightened engineering educational management coupled

Stuart Pagh (Smallpeice Reader in Engineering Design, Engineering Design Centre). University of Technology, Leicestershire.

#### The heart of the matter

Inc Institution of Mechanical Engineers

Sir,-Your very comprehensive coverage of the main recoming design prepared for the National Economic Development Council is to be applauded. In the recent flurry of activity aimed at improving our manufacturing performance and, in particular, the education and training of engineers for manufacture, there was some danger that design, an equally important area might be overlooked.

with most of the recommendamembership requirements to see In this institution, design is considered to be the "heart" of mechanical engineering and all corporate members must have received design training and have post-training experience

either in design, development or Jan. a related field. As far as Apr. academic courses are concerned, Sep. we are just embarking on a Nov. complete review and accredita-tion of mechanical engineering degree courses and one of the criteria will be an acceptable design element. Thirty-two per cent of our chartered engineer members are practising designers or managing the design function, plus a further 40 per cent of our graduate

· We are, therefore, very much involved with the design aspect of mechanical engineering and will gladly co-operate with the NEDC or any other appropriate body to raise the standard of design in the UK industry. Alex McKay,

1 Birdcage Walk, Westminster, SW1.

### Market pull

Sir.—One aspect of your critique of "A cure for the ills of product design" (Manageor product design (Management page, January 19) is sur-prising. In two ways it queried the need for marketing control of design. To quote "... the

Surely Christopher Lorenz should cast his eye over the considerable weight of research evidence showing that innovations based upon market pull have a significantly higher suctional management, coupled with a realisation that time is not an our side.

cess rate than those based upon technology push. My experience has produced a similar weight of evidence, particularly point ing towards the inability of UK management to grasp this point. More recently, research comparing management of inte grated circuit innovations in the U.S. compared to the UK, has highlighted the same thing as one of its findings.

Thank goodness that somebody of the standing of Mr. Corfield should offer such constructive criticism and prescriptive advice. The path for industry and compete in world markets is not a cheap one, but lies in such good management. based upon intelligent experience and common sense. David Mason.

Regency House,

1-4, Warwick Street, W1.

### Application required

My institution is in agreement warned that the one sure rith most of the recommendawith most of the recommenda-tions made, but for brevity I ment will be to respond too slowly " to micro-electronics namely "that professional insti-technology, is Lord Pears aware would just comment on one, slowly to micro-electronics namely, "that professional institutions should examine their should examine their power Services Commission to give applicants for retraining if more preminence should be give applicants for retraining given to design qualifications." design an interview, secondly a decision and thirdly, a training opportunity. I give below my, experience.

- First discussion with TOPS (training opportunities scheme)
- Application for course in electronic servicing
- Mathematics test
- Selection interview post-poned by TOPS
- Interview postponed by me
- Final interview and acceptance
Letter of acceptance in
forming me that there i

forming me that there is an 8-12 month delop before start of resining. The course, when I do start it, is 40 weeks long. The whole process will have taken 3 years. (Miss) Eyvor Barrie 6, Newton Avenue, W3

#### Learning is useful

From Mrs. J. Brown.

Sir;—I was interested in your article on language reading (January 13).

Most schools act as if the only road to acquisition of another language is via "O" and A" and a degree in the subject. Every teacher enjoys his or her part in this process—but there are alternatives.

As a teacher of Russian for several years, I often found that pupils doing the subject "for interest" at Vith form level for a year or two, got a quick grasp of essentials, and felt the excitement of having a window on another part of the world.

The teaching profession, both in and after school, need not be afraid of admitting that language is a means of communication, as well as something to study for its own sake.

A little learning may be a

dangerous thing, but it is often

GENERAL UK:-Public Service workers on one-day strike, with a march from Speakers' Corner to Parliament.

Gordon Richardson, Governor of the Bank of England, addresses biennial dinner in Glasgow of the Institute of Bankers in Scotland.

House, London. Prime Minister attends "What of London, lunches with Sir the Papers Say" awards for David Orr, chairman of Unilever, jaurnalism lunch, Savoy Hotel, at Unilever House, London. economy during Tandon. Overseas: — President Carter meeting in Tokyo. Manchester faces one-day bus

Hearings of the Department of

### **Today's Events**

Trade applications for winding Foreign Minister, arrives in (December).

up petitions on two "fringe" Rome for five-day official visit.

banks—Barnett Christie and including an audence wth Pope

House of Commons: Motion to Kendal and Dent-open in Court John Paul II. 27 at the High Court.

Officials and politicians from
Mr. R. S. Clarkson presents 20 Asian developing countries

paper on a mathematical model TUC-Labour Party liaison of the gilt-edged market at the multinational trade talks.

committee meets, Congress Institute of Actuaries, London. Talks on international

for fiscal 1979. Industrial and commercial com-Mr. Andrei Gromyko, Soviet panies' appropriation account,

meet in Hong Kong for five-day COMPANY PESULTS Talks on international wheat Discount Company. Sir Kenneth Cork, Lord Mayor agreement resume in Geneva. Japan and U.S. discuss during 1979-80, at

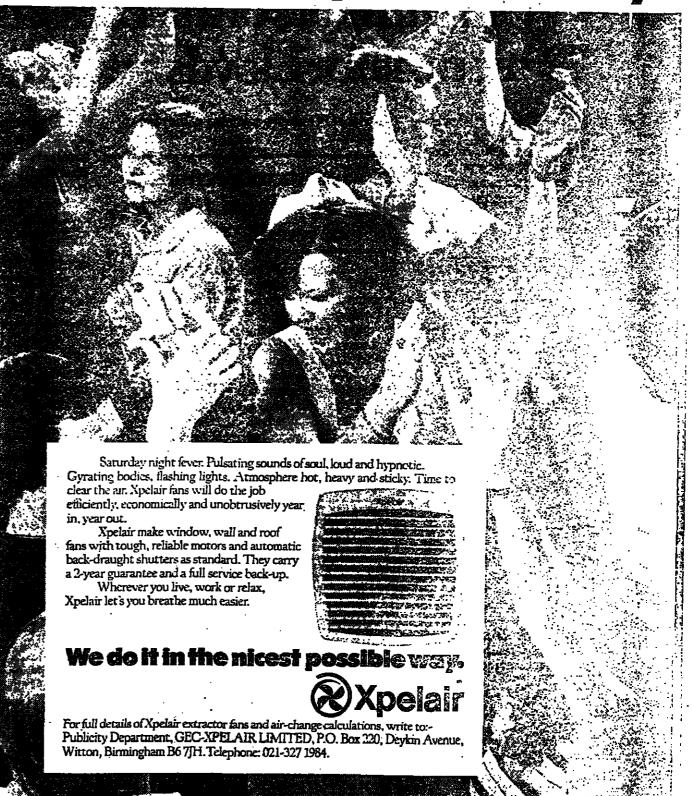
presents to Congress his budget OFFICIAL STATISTICS

acquisition of financial assets and net borrowing requirement (third-quarter). Cyclical indicators for the UK economy

House of Commons: Motion to appoint joint committee on special commission on

Final dividends: Alexanders iscount Company. Greenfriar Investment Company, Hall Brothers Steamship Company. economic prospects in each Leda Investment Trust. Interins Imry Property Interim Sources: F. dividends: Holdings. FFICIAL STATISTICS Wrighton and Sons (Assoc. Cos.).
Industrial and commercial com-

### Some discos take your breath away.



**Scottish** 

outlook

all areas of its activities. Even so

the extent to which its strengths

plains in his annual statement.

company's operations he says.

supplementary statement on

this basis shows profit cut to £22.5m by additional depreciation

ment of £1.7m.

Net liquid funds at year-end

Reflecting further growth in all

areas of the group's financing activities debtors and factored

debts were up £141.3m 'at

Meeting, Hyde Park Hotel, SW, on February 14 at noon.

Television for some £61m.

## NSS Newsagents well placed for further growth

by NSS Newsagents form a sound basis for forward movement of profits, says Mr. P. H. Byam-Cook, the chairman. The group's main expansion effort continues to be in the acquisition of good confectionery, tobacconist and newagent businesses and the impetus in this field will be maintained he says.

Marketing expertise is to be strengthened to improve buying controls and contribution to profit of such products as toys, stationery, books records and cards. In addition more resources are to be allocated to modernising, extending or relocating exising profitable branches to enhance productivity of existing outlets.

The directors remain confident about prospects for the group's main centre stores. The rate at which they are developed is governed by the availability of both suitable sites and of management resources, the chairman explains. At present the company operates more than 20 such stores with retail area ranging from 2,000 to 15,000 sq ft.

For the second year in succession 1977/78 saw eigarette manufacturers heavily promoting king size eigarettes. This has undermined brand loyalty as customers purchase the latest promotional offer with the result that the newsagents find it diffi-cult to maintain tight stock

The cost to NSS as a multiple providing the necessary security, promotional space and extra stocks coupled with the need to offer cut-price terms in many stores, allows only a bare margin on the present pricing structure, Mr. Byam-Cook comments.

Overall sales for the year to (£3.16m) as reported December 6. Net margins were, however, lower at 6.6 per cent (6.7 per

#### **BOARD MEETINGS**

The following compenies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on lest year's timetable. Interim: Imry Property.

Finals: Alexanders Discount friar Investment, Hall Brothers ship, Lada Investment Trust.	Steam-	
FUTURE DATES		
Interims— Smith (David S.) Syltone Vogelstruisbult Metel	Jan. 30	
Finals— Pratt (F.) Romney Trust Smallehaw (R.) (Knitwear)	Feb. 7 Feb. 15 Jan. 25	
		- 1

was down £250,000 (up £656,000) and capital commitments amounted to £913,000 (£207,000) of which £47,000 (£152,000) had been authorised but not con-

The net dividend is raised to 2.37p (2.1225p). Meeting, Woking, February 13 at 2.30 pm.

Sales lower

### for Leeds & District Dyers

First quarter sales at Leeds and District Dyers and Finishers dipped by 7½ per cent but Mr. A. Mortimer, the chairman, estimated that profits remained

Even so the upheaval caused by the refurbishment of the Scott Rhodes complex was going October 1, 1978, were ahead to to remain for the rest of the £56.65m (£47.09m) and taxable year, he told the annual meet-

He, therefore, saw no reason to change his earlier view that profits would be hard to earn nt). in the current year and would Turnover was down Working capital at year end fall short of the level in the £4.14m against £4.43m.

pre-tax surples topped £1m.

He explained that it was quite impossible to give any real indication of the profit achieved during the first three months. His assessment took into consideration all the problems posed the ending of consequential loss insurance and the costs of re-organisation.

### Progress on reshaping at Bellway

CONSIDERABLE progress has been made in obtaining the necessary tax clearances preparatory to plans for segregating the company property develop-ment interests from its housebuilding and associated activities, Mr. John Bell, chairman of Bellway Holdings told yesterday's annual meeting.

He added that the board hoped to submit reconstruction pro-posals to shareholders as soon as possible with the aim that they would come into effect before the end of May. Last year the group lifted pre-

tax profits from a depressed £139,000 to £3.72m.

#### United Guarantee

Pre-tax profits of United of £4.5m and extra costs of sales Guarantee (Holdings) stood at of £0.9m less a gearing adjust-£315,780 in the year to September 30, 1978. In the previous year, profits were £315,585 after extraordinary credit of £118,025. After tax of £168,757 (£68,779),

earnings per 5p share were shown up from 2.494p to 2.847p. The net dividend is raised from 0.181p to 0.202p.

Turnover was down slightly at

#### Lloyds & BIDS AND DEALS

Peak to sell off electronics side

will be reflected in improved results will much depend on factors Peak Investments "have made a for some years. It says it has outside the directors' controls, consistent contribution to group authorised substantial invest-profits says Mr. R. Dingle, a ment in its principal activity at George Duncan, the chairman, exdirector, in a circular proposing Irvine, Minimum lending rate at 12.5 per cent, the continued rise in the to shareholders that this section of the business should be sold to Nissa, an Irish company 56 per overall cost of funds and the cent owned by Peak's chairman, M. J. Finch. Government's fiscal and monetary policies against inflation, are

which will not favour the Mr. Dingle recommends the sale on the grounds that " it is of The group will, however, benemajor importance to the com-pany that there should be a subfit from the release of funds following the sale, in December, stantial injection of cash."

The circular shows that in the of British Relay and Wireless and

last financial year, the electronics The effect of this sale and the side of the business made a profit before tax, bank interest acquisition of Cedar Holdings, now accepted by holders of 97 and group management charges of £108,435 compared with £45,869 for the group as a whole. Proceeds of the sale will amount to Irish £550,000. Net per cent of the equity, is indicated in a pro-forma balance sheet as at September 30, 1978. This puts net assets at an adjusted £560m, against an actual assets of the electronics interests amounted to £300,399 at May 31, 2575.6m, net borrowings lower at amounted to £300,399 at May 31, £425.8m, compared with a reported £457.8m and investment in televisions on rental and relay networks down from £35.9m to ress will not be transferred to

the purchaser As reported December 16, group pre-tax profit for 1977-78 climbed from £17.39m to £26.21m on turnover of £181.2m Mr. Finch and Mr. J. Bloice, the managing director of Peak Electronics who also has a stake in Nissa, have undertaken not to vote at the EGM of Peak at (£159.1m) and the net dividend is raised to 4.40692p (3.9465p). Though the directors do not which shareholders will be asked to approve the deal.

regard the Hyde Guidelines on CCA accounting as entirely the electronics business, Mr. satisfactory when applied to a Dingle says the company would predominantly financial company. have sufficient cash resources to have sufficient cash resources to enable Peak Trailers to move to more satisfactory premises. After the re-organisation, Peak would consist of Peak Trailers and three income producing invest-ment properties in the Stockport Peak's directors believe were down £84.43m (£65.96m) that there is a good future for with bank loans and overdrafts the company's products despite the difficult conditions in the last 18 months.

> AYRSHIRE METAL Ayrshire Metal Products is to discontinue the sale and manu-facture of office and factory

WESTWOOLS/ WESTERN LIVESTOCK

ced that agreement had been reached with Citicorp Australia, to purchase that company's shareholding of 1.48m shares of 30 cents each in the capital of. Western Livestock.

In making the announcement, Mr. F. R. Blakiston, managing director of Westwools, said the purchase price of the shares was 24.5 cents each and represented. 43.5 per cent of the issued capital in Western Livestock.

respective shareholders.

Western Livestock's operations cover wool broking, wool trading livestock, rural merchandise, fertilisers and the sale of rural

#### J. BARRAT

acquired by local businessmen in a deal thought to be worth more than £500,000.

As part of the deal Industrial \$1,882,000, fell back slightly over and Comercial Finance Corporation is to take a 30 per cent-stake in the company set up by the businessmen Mr. P. J. Bailey and Mr. A. H. Leonard, to acquire the Barnatt's business and will also provide the company with a £400,000 long term loan

WIMPEY IN

BRAZIL Wimpey do Brasil to co-ordinate its activities in Brazil. Mr. Peter Cook has been appointed director general hased in Rio de Janeiro.

MINING NEWS

### Gold output marks time

SOUTH AFRICAN gold produc-1977, which was the lowest amount produced for 16 years. The South African Chamber of Mines reports that the December output of 1,760,697 oz brought the year's total to 22,625,995 oz compared with 22,409,486 oz in

Thus, despite the rise in the gold price from just under \$170 per ounce at the beginning of 1978 to \$226 at the end of the year—it was \$229\( \) on Friday— South Africa's gold production remains at about 700 tonnes a year. The world's second largest producer is the Soviet Union with estimated annual exports of

with estimated annual exports of 300-400 tonnes.
Higher gold prices have given the South African mines the opportunity of milling more of the lower grade ore which was previously uneconomic. The previously uneconomic. The resulting production of gold has thus remained fairly static, but earnings have moved sharply
ahead despite the continued rise
in costs which was of the order
of 16 per cent last year.
Dividends have also moved on

to the rising trail and the now completed declarations for the second half of 1978 are compared in the following table.

GOLD DIVIDENDS

# Dec. June Dec. 1978 1978 1977 cents 33 110 30 \*nil \*25 \*40

## Management Co. Ltd. 66 EXNNON STREET EC4N 6AE Telephone: #1236 1425

Including capital return of 5 cents

Rates paid for W/E 21.1.79

11.696

**ISSUE NEWS** 

### Offer for sale by Caledonian

today in connection with the offer £37.553, ansecured loan stock of for sale of Caledonian Holdings, £1.64m. leasing and formerly Stenhouse Industries. purchase commitments of £0.25m Proceeds will amount to about and guarantees of £0.32m. In £5.94m net and will initially be addition Caledonian owed £0.33m. Group's borrowings and to create additional liquidity.

shares of 25p each at a price of closes on Thursday, 65p per share. In order to assist Stenhouse shareholders to retain an interest in Caledonian, preferential consideration will be As part of Stenhouse, given to applications from such Caledonian's profits record-over shareholders in respect of a the last five years has been maximum im shares. erratic and unspectacular, maximum 1m shares.

The directors of Caledonian Caledonian is certaint are not making a forecast for glamour stock. Basicall the current year to September 30, company is an ind 1979, but say they are confident conglomerate with an unusual of being able to report "satisfac mix of activities a factor which

sumer products group with about seems to be lagging behind the a third of profits coming from profits performances of the engineering products, about 30 major retail chains. The only per cent from jewellery, just over jewel in the crown seems to be a quarter from home improve the home improvement division, ment products and the balance where profits should make good

Profits in 1974 amounted to

rising to £2,443,000 the following

holders' funds stood at £6,991,000 representing a net asset value of 69.91p per share.

WIMPEY has formed George long term he believes the Wimpey do Brasil to co-ordinate company can maintain a goodreturn on capital employed.

At December 31, 1978 the company's indebtedness stood at

company's indebtedness stood at Alliance Investment Company £3.56m, including outstanding has arranged a new loan of unsecured bank overdrafts of Y.200m with Morgan Charanty £0.6m, secured vehicle stocking Trust Company of New York for finance of £0.23m, acceptance a period of about two months to credits of £0.5m; secured loans March 20 1979.

to reduce Stenhouse on current account to Stenhouse. Brokers to the issue are W. Greenwell and Co. and Parsons

The offer for sale—by Noble and Co.

Grossart—is of 10m ordinary Applicat Application list opens and

comment capital in Western Livestock. of being able to report sausta.

Westwools intends, subject to tory results.

Westwools intends, subject to tory results.

However, assuming a 10 per engineering side—the largest approval to take over the remain.

Each increase on last year's single division—is not a star ing issued shares on terms not \$2.443,000 pre tax, the company performer, in spite of being less favourable than 245 cents is coming to the market on a involved in the motor and per share.

When both Boards have had the prospective fully taxed of 4.75p both of which have been himpant discussions more specific information.

Caledonian is a diversified confacture, almost as important, seems to be larging behind the

jewel in the crown seems to be from ladies hosiery. headway on the back of the DIY
Most of the present trading boom. Overall, assuming a
subsidiaries were formerly part £2.7m pre-tax outcome this year
of John Wallace and Sous. The the prospective fully-taxed p/e headway on the back of the DIY

TAKEN OVER

of John Wallace and Sous. The the prospective fully taxed p/e
group currently employs some of 5 reflects the unexiting
The assets and goodwill of 2,800 people.

J. Barratt the Staffordshire based: Since 1974 Caledonian's sales well because of the well-covered
engineering concern has been have grown from £22m to £41m yield of 10.9 per cent, ensuring
in a deal thought to be worth 1978

the next two years but then recovered to £2,024,000 in 1977, At September 30, 1978 share-

Mr. Roy Burns, Caledonian's chairman, reports that there was a good start to the current year, particularly in the home improvement division. For the

### FT Share Service

The following securities have been added to the Share Information Service appearing in the Financial Times. Kitchen Queen (Section: Drapery and Stores) Northern Goldsmith (Section Drapery and Stores).

#### **NEW LOAN FOR** ALLIANCE INV

### The Boots Company Limited

U.S. \$30,000,000 62 per cent. Convertible Bonds 1993

Notice is hereby given that the U.S. \$30,000,000 61 per cent. Convertible Bonds 1993 (the 'Bonds') will (subject as referred to in the terms and conditions thereof) be convertible at any-time on and after 1st February, 1979 and up to and including Ist July, 1993 into registered Ordinary Shares of 25p each of The Boots Company Limited, at a Conversion Price, subject to adjustment in certain events, of 216p per share in accordance with the conversion provisions referred to in the terms and conditions of the Bonds.

For the purpose of calculating the number of shares to be issued on conversion of the Bonds, the Bonds will be taken at their principal amount translated into sterling at a rate (fixed throughout the life of the Bonds) of U.S. \$1.8912=£1.

Notices of conversion required to be completed and delivered by converting Bondholders are obtainable from the offices of any of the Conversion Agents listed on the Bonds.

The Boots Company Limited

The Nippon Credit Bank, Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date: 23 October, 1979.



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the three month interest period from 22 January 1979 to 23 April 1979 the Certificates will carry an Interest Rate of 11% per annum.

The Chase Manhattan Bank, N.A. London



U.S. \$125,000,000 Midland International Financial Services B.V.

Guaranteed Floating Rate Notes 1993



### Midland Bank Limited

For the six months from 22nd January, 1979 to 23rd July, 1979 the notes will carry an interest rate of 121% per annum. The interest payable on the relevant interest payment date, 23rd July, 1979 against coupon No. 2 will be U.S. \$61.93 per U.S. \$1,000 note. Principal Paying Agent European-American Bank & Trust Company

10 Hanover Square, New York, N.Y. 10005 LLS.A. Agent Bank: Morgan Guaranty Trust Company of New York, London

# High demand, improved pertormance:

## Highlights of a successful 12 months for Lloyds and Scottish

The Group, one of the country's leading Finance Houses, benefited from improved performance in most of its activities, particularly instalment credit and leasing, and from the relatively lower average cost of money -3.5 percentage points below the average rate over the previous 12 months.

#### Pretax profits up over 50% to £26.2m

Demand for financing was high and the Instalment Credit and Leasing Division increased profits significantly. Associated companies and joint ventures - where Lloyds and Scottish forms partnerships with major national and international manufacturers and retailers, and helps to finance their consumer sales - are proving to be a major source of strength for the Group.

### Instalment and factored debtors increased by 43%

In the Industrial and Commercial Division, the factoring companies performed particularly well. Caledonian Tractor and Equipment Co. Ltd. suffered the only significant profit reduction, due to low demand for earthmoving equipment

in Scotland. During the year, the Group made a number of acquisitions, including a 50% interest in RIGP Finance Ltd. (credit finance for motorcycle sales) and the UK factoring subsidiary of the Bank of

### Maximum permitted dividend (total 4.40692p, covered 2.95 times)

Although the profits of British Relay Wireless and Television Ltd. improved, this company has continued to yield an unsatisfactory return despite reorganisation and strengthened management. Since the year end, the company has been sold to Electronic Rentals Group Ltd.

Also following the year end, Lloyds and Scottish has made an offer totalling £9.6m., which has now become unconditional, to acquire Cedar Holdings Ltd. This will give the Group a strong base in the UK's growing personal finance market and complement the Group's other financing activities.

### Gross assets exceed £700m

On future prospects, the Chairman, Mr G. Duncan, makes the following comment in his statement to shareholders. "Lloyds and Scottish has considerable resources in all the areas in which it is involved, but the extent to which its strengths will be reflected in improved results will depend, in large measure, on factors outside our control.

continues to rise. The Government has committed itself to restraining inflation through its fiscal and monetary policies and we are informed that 'The Corset' will remain in force until at least June 1979. These are factors which will not favour our operations.

now stands at 12:5% and the overall cost of funds

The Bank of England minimum lending rate

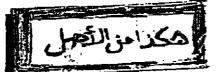
### Earnings up from 9.31p to 13.07p per share

We shall, however, benefit from the release of runds following the sale of BRW and I am confident that, in spite of the constraints imposed upon us, we shall continue to take full advantage of such opportunities as exist for improving our performance in the interests of our shareholders."

1978, please complete this coupon and post it to: The Secretary, Lloyds and Scottish Limited, 8/9 Chesterfield Hill, London W1X 7RG. Telephone: 01-491 3236.

For a copy of the accounts to 30th September

Lloyds and Scottish Limited



### INTNE. COMPANIES and FINANCE

## Grace offer for Daylin

DAVIJN INC. the target of a acquire Narco is sparking for "additional information and \$130m bid by the W. R. Grace suspicions that its main purpose assurances" to make certin that group, is expected to make is to drive away Grace, in which its shareholders will receive a group. Is expected to make is to drive away Grace, in which are strength of this west Germany's Friedrich Flick \$38 a share offer and will be week to pull off a \$68.4m Group has a 29 per cent stake. The merger with Narco Scientific, However, some of Daylin's own a hospital equipment manus shareholders are upset about think it unwise to risk the likelity.

facturer.

It seemed on the face of it if it succeeds it will largely last week that Daylin had made Narco are offer it could not refuse. The \$38 per share properties. The \$38 per share properties of the state of and 4s 2.4 times Narco's book

shareholders are upset about the approach to Narco because

poses problem for Narco

recommended its shareholders about Grace looming in the to accept from the Borer Group, background and the Pennsyl- At about 18 times Narco's varia company issued a state anticipated 1978 earnings, ment on Friday indicating that for Daylin's bid is well above the it was tempted by the offer. The company may be and its 24 times Narco's book with a book it asked Daylin to consider tempted to fuel the small fire and 4s 2.4 times Narco's book making a part cash, part tax of discontent among Daylin's reliable to the small fire the small fire the small fire small fire the small fire the small fire small fire small fire the small fire small fire small fire the small fire s

hood that our shareholders would lose an otherwise attractive offer from Rorer." Grace has so far refused all comment on Daylin's bid for Narco. Some analysts think Grace might withdraw, for it has a history of dislike of un-friendly takeovers. However,

### Troubles in discount sales division add to Food Fair loss

PHILADELPHIA-Food Fair, which is operating under Chap-ter 11 of the Bankruptcy Laws, expects to report a loss for fiscal 1978 (July 29) of about \$52.5m, compared with a year-ago profit

Food Fair estimated fiscal 1978 sales of \$2.8bn, compared with \$2.4bn last year. The company said the projected 1978 loss includes a pre-tax loss of about \$61.3m, of which \$19.2m is attributable to

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its J. M. Fields discount merchandising division. Food Fair said the 1978 amounts are subject to completion of an audit currently being conducted by Laventhal and Horwarth, its independent accountants.

Mr. Grant C. Gentry, Food Fair's newly-elected chairman, noted that the preliminary results do not include the effects of store and-facilities closed since July 29 last year.

Bonn does face a dilemma at the moment over economic perform-

While credit conditions were

CURRENCY RATES

THE POUND SPOT

eased in Belgium and Italy,

ance and monetary growth.

A tale of two evils

Interest rates in the strongest Dutch short-term interest rates 1976

week, illustrating some of the rate by } per cent to 4 per cent some weeks.

economy in Europe—West Ger were also cut, and day-to-day many—moyed in the opposite money in Germany was rather direction from most other different however, with the countries on the Continent last Bundesbank raising its Lombard

Food Fair said the final report ment previously had announced in about four to six weeks.

The company also said its auditors plan to disclaim an opinion on that earnings statement, primarily due to their

Food Fair said its manage- Reuter.

for fiscal 1978 should be ready a cumulative profit of \$282,000 for the first nine months of fiscal 1978. In view of the reported loss

for the year, however, Mr. Gentry said he has requested inability to rely on the adequacy of the internal accounting controls of the J. M. Fields months earnings and for the 28 weks ending February 10, 1979.

### **SEC** to investigate bid

CURRENCIES, MONEY and GOLD

Exchange Commission is investigating its tender offer for Carrier Corporation to see if any violations of securities laws are involved. The disclosure was made in papers filed here with the SEC.

problems of running such an and increasing the minimum re-economy, and a very firm serve ratios of banks on Thurs-currency.

In Frankfurt the tightening of dome Kruger credit was largely caused by the currency.

New 8

The Belgian National Bank cut

the rates on short-term Treasury

certificates once again last week, after a reduction of its Lombard

rate of § per cent to 8 per cent and a fall in the discount rate on the penal "B" quota. At the same time the Bank of Italy

eased its restrictions on the ex-

pansion of Bank credit, and

monetary conditions tended to ease in Holland, although credit

shortages are likely to continue in the short-term. On Friday a

Dutch bank announced a cut in

its prime rate by 1 per cent to 11 per cent in response to declining interest rates in Amster-

dam, and this is expected to be followed by other banks. In

Paris on Friday call money fell to 6 per cent, from 7 per cent, the lowest level since January 13,

Mr. Callaghan would probably the liquidity out of the domestic broadly defined money supply exchange his present troubles for money market.

The Belgian National Bank cut 111 per cent, against a target of Gold Coins,

Technologies Corporation said Stock and currently owns 16.7m that the Securities and shares, or nearly half of the outstanding stock.

The Justice Department, citing alleged anti-trust violations, has filed suit to block the takeover, and United Technologies is now under a temporary restraining order barring it from further purchases of Carrier Stock.

United Technologies last Reuter

1976.

The French move was purely changed technical, while many of the Morning fixing.....

In Frankfurt the tightening of krugerrand....

8 per cent Coupled with strong internationally economic growth, German Krugerrand.....

officials obviously feel that the New Sovereigns.

THE DOLLAR SPOT AND FORWARD

One month

others were a reaction to trends which have been developing for

money supply figures hold a threat of increased inflation.

Switzerland has suffered from similar problems for the same

OTHER MARKETS

Jan.19

Argentina Pesc... Australia Dollar... Brazil Cruzelro... Finland Markga...

Greek Dractima Hong Kong Dollar Iran Rial Kuwait Dinar (KD

### **Banking** collapse averted in Spain

By Robert Graham in Madrid

THE GOVERNMENT and the banking community have stepped in to avert the collapse of a small family-owned industrial bank. Banco de Granada. and its subsidiary, Banco de Credito Comercial In hurriedly agreed move, Banco

de Granada has been taken over by the Corporacion Bancariathe so-called "bank hospital" formed last year by the Bank of Spain and the banking This is the fourth time since the formation of the Corpora-

cion Bancaria last February that it has been obliged to take over an ailing bank. The last occasion was just prior to the referendum in early December, when it acquired a medium-sized family controlled commer-cial bank, Banco de Valladolid. Neither the banking community nor the Bank of Spain were particularly happy about such action as the "bank hospital" was originally conceived very much as a stop gap measure to ensure confidence in the bank-ing system. Indeed, it was hoped among bankers that the first two banks acquired — Cantabrico and Meridional would also be the last.

The decision to intervene in the case of Banco de Valladolid and now again with Granada and its subsidiary is understood to be the result of strong political pressure from the Government, now gearing up to fight a general election. The general election is less than six weeks away. In the case of the Banco de Valladolid, it was argued that the Government could ill afford to let a bank go to the wall when the consitution referendum was imminent.

Banco de Granada is approximately 51 per cent owned by the Rodriguez Acosta family. It is this share that the Corporation Bancaria has bought, for

Jan. 19 Jan. 18

(£2.18-115) 880-62 (£291-502) 886-68 (£322-552) 82974-2394 8 1821-167 8 105-110

£ Note Rates

261<sub>2</sub>-271<sub>2</sub> 59-60

68.63 17.36

14.60 34.83

GOLD

Gold Buillon(a fine

the cases when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. Dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thuse) have been officially published. It should be emphasized that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

Date	Announce- ment last vear	Data	Anapunce- ment lest year
Ajaxenders	3020	Johnson and	-
DiscountJan. 22	Final 9,833	Firth Brown Feb. 23	Int. 1.3
Allied TextileJan. 25	Final 3.960	*Lloyds BankFab. 16	Finel 4,938
Associated		Landon	
EngineeringDec. 15	Final 3.42	Shop PropFeb. 23	Int. 0.888
Berciays BkFeb. 23	Final 5.5491	Longholan. 30	Final 4,2212
BAT IndsJan. 30	Int. 4.4	MFI Furniture	
Bath and	100 414	CentresFeb. 14	Jot. 1.98
PortlandFeb. 15	Final 1.798	MarchwielFeb. 20	Final 2.4
Birmid	(1110) 1.100	NeepsendFeb. 23	Int. 0.92125
QualcustFeb. 15	Finel 3 107	Nottingham	
Вгомл	1 11141 01141	Menufactrg, Feb. 12	Final 2.332
BrothersFeb. 18	Sec. int 0.5	"Rank OrgJan. 24	Final 5.849
Brown (J.)Jan, 26		SecuricorFeb. 21	Final 0.9568
Carrington	ML 400 103L	Smith IndsNov. 8	Final 4,2603
ViyeliaFeb. 22	Final 1.50505	Staffex IndaNov. 9	Int. nil
Courts	rniat 1.50000	Sunley (B.)	
(Furnishers) Jon. 17	Int. 1.5565	Inv. Tal. Feb. 16	Int. 1,654
DalgetyFab. 15	Int. 6,407	*Tate & Lyle ,Jen. 24	Final 3.1
Davy CorpnJan. 23	Int. 3.63	*Throgmorton	
DeccaFab. 8	Int. 3.3	TrustJan. 25	Final 2.375
Debenturo	1116 4.4	Trust Houses	
CorpnFeb. 16	Final 22	Forte,Feb. 1	Final 5,9594
DowtyFeb. 7	Int. 2.21	Tunnel HidgsJan. 13	Final 2.283
Crake and	14t 2.21	*Union	
ScullFeb. 14	Finst Wil	DiscountJan, 24	Final 12.583
itch LovellJan. 25	Int. 1.2778	United Resi	
Pularese Bost Is- 80		Prop. TstFab. 15	Int. 1.25
Guinness Peat Jen. 26	Int. 4.25		
lambro TstJan. 26	Int. 0.65	Wagon FinanceFeb. 17	Einel 2 275
looverFeb. 23		HINATICSFeb. 1/	PRIOR ZOTO
CIFeb. 22	Sec int 7 51587	* Board meetings intin	e tree S Sc
mperial GrpFeb. 8		issue since made. 💠 la	X 1100. 3 00
nchcapaJan, 25	Int. 6.0	issue since made from	I STALLED.

#### **BASE LENDING RATES**

	W-D-14 Dauk ".,,,,,,	وضد	7
	Allied Irish Banks Ltd. Amro Bank	12	9
	Amro Bank	124	4
	American Express Bk.	121	9
	A P Bank Ltd.	121	Ġ
	A P Bank Ltd Henry Ansbacher	121	ģ
	Associates Cap. Corp	124	á
	Ranco de Bilhao	12 <u>1</u> 12 <u>1</u>	Ó
	Bank of Credit & Cmce. Bank of Cyprus Bank of N.S.W. Banque Belge Ltd	122	ó
	Bank of Cynnie	191	o
	Rank of V & W	191	ė
	Ranque Roles T.td	191	á
•	Banque du Rhone et de	1-1	•
	la Tamise S.A	1911	Œ
	Danalam Dank	13	a
	Barclays Bank		
	Barnett Christie Ltd	131	ä
	Bremar Holdings Ltd.	134	7
_	Brit Bank of Mid. East	121	Ž
	Brown Snipley	124	7
	Brit. Bank of Mid. East Brown Shipley Canada Perm't Trust Cayzer Ltd.	124	U
	Cayzer Ltd	$15^{\frac{1}{4}}$	a

Cedar Holdings ...... 121% Choulations Choulartons 121% C. E. Coates 121% Consolidated Credits 121%

Consolidated Credits... 124%
Co-operative Bank .... \*124%
Corinthian Securities 124%
Credit Lyounais .... 124%
Duncan Lawrie .... 124%
The Cyprus Popular Bk. 124%
Engil Trust .... 124%
Engilsh Transcont ... 124%
First Nat. Fin. Corp... 14%
First Nat. Secs. Ltd. ... 14%
Greyhound Guaranty 124%
Greyhound Guaranty 124%
Grindlays Bank .... 124%
Guinness Mahon .... 124%

Keyser Ullmann ..... 121% Knowsley & Co. Ltd... 141% London Mercantile ... 1219 Edward Manson & Co. 1319

Morgan Grenfell ..... 121% National Westminster 121% P. S. Refson & Co. ..... 12 Standard Chartered ... 121% Trade Dev. Bank ..... 121% Trustee Savings Bank 121% Twentieth Century Bk. 13:5 United Bank of Kuwait 12:5 Whiteaway Laidlaw ... 13 % Williams & Glyn's ... 12:5

Yorkshire Bank ...... 121% Members of the Accepting House: 7-day deposits on syms of £10,000 and under 10% up to £25,000 10% and over £25,000 10%. Call deposits over £1,000 10%. Demand deposits 10%.

### Record saving funds total

RUSH by high-rate taxpayers £10.93bn

before they are withdrawn the 14th issue, and made repayhelped increase the National ments of £15.8m to holders of Savings Department's total this and previous issues (evludfunds under management by ing the special pensioners'

£75.17m last month to a record issue).

to invest in the 14th issue of The department received National Savings Certificates £64.9m from investors buying

**GESTETNER HOLDINGS LIMITED** 

THE ANNUAL GENERAL MEETING will be held at 10.30 a.m. on 5th March, 1979 at the Gestetner offices (Tottenham Hale entrance) London N17 9LT for the purposes of:-Receiving and adopting the report

2. Declaring the final dividends recommended in the directors' report,

3. Reappointing Deloitte Haskins & Sells (formerly Deloitte & Co.) as auditors of the Company until the conclusion of its next annual general meeting.

4. Passing the following resolution to be proposed as an ordinary resolution, special notice having been given pursuant to sections 142 and 185(5) of the Companies

THAT Mrs. H. Gesteiner O.B.E., a director retiring by rotation, who has attained the age of 70 years be and is hereby re-elected a director of the company. Holders of share warrants to bearer who wish to attend or he represented at the Meeting should deposit with the Company's Registrars, Barclays Bank (London and International) Ltd., Registration Department, Radbroke Hall, Knutsford, Cheshire, WA16 9EU, not later than 48 hours before the meeting, the certificate of an Authorised Depositary that such warrants are held to the order of the Registrars.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote for him. A proxy need not be a member of the company. To be effective, such proxies must be received by the registrars not less than forty-eight hours before the time fixed for the meeting.

Directors' contracts are available for inspection at the registered office until after the meeting. 41 Fawley Road.

**UCOBANK HAS MOVED** 

#### By order of the board J. A. BARNETT Secretary London N17 9LT 19th January, 1979

### from TODAY **United Commercial Bank** has moved into

2nd Floor, Lee House London Wall London EC2Y5DT





Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 26.1.79. Terms (years) 3 Interest % 121 121 121 121 121 121 121 121 13 Deposits to and further information from The Chief Cashier,

FINANCE FOR INDUSTRY TERM DEPOSITS

Finance for Industry Limited, 91 Waterloo Road, London SE1 SXP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC

#### RECENT ISSUES

**UK PENDING DIVIDENDS and NEW ISSUES** 

## **EQUITIES**

#### FIXED INTEREST STOCKS

fasue Price Am'unt	Renune Date	1978/79 High Low	Stock	Closing Price £	+-
1100p F.F 1100p F.F F.F	5/1   22/12   1/3   11/1	1001 <sub>2</sub> p 99p 123 102 137p 76p 99p871 <sub>2</sub> p 131 <sub>4</sub> 13 105 1003 <sub>4</sub>	Colne Valley Water 8% Red Prf 1983 Findiay 8% Chv. Cum. Red. Prf	99p 122 157p 97p 154	÷9

#### "RIGHTS" OFFERS

١	Issue Price	E CE	Renunc. Date	1978/9		Charle	Otosing prices pt	+ or
I	bţ	Pag	• =	Hìgh	Low	Stock	용표_	<b>-</b> .
	60 17 45 210 250 55 105 20c 10 28	F.P. F.P. Nii F.P.	15/12/26/1	76 21 57 248 520 71 - 20pm 30pm 171 <sub>2</sub> 58	191 <sub>2</sub> 47 242 298 66 19pm 24pm 141 <sub>2</sub>	Associated Biscuit Boulton (Wm.). Foster (John). Lep Group. Metal Box. Milbury. Neil & Spencer. Poseldon Suter Electrical Defd. York Fine Woollen	21 57 248 316 70 19pm 29pm	+6

Renunciation date usually last day for dealing free of stamp duty, b Figures based on prospectus estimate. S Assumed dividend end yield. If Process dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979, o Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. S Placing price to public. Pt Pence unless otherwise indicated. I Laused by tender. Il Officed to holders of ordinary shares as a "rights." I sueed by way of capitalisation. S Reintroduced. Il Issued in connection with reorganisation, merger or take-over. Ill Introduction. I Issued to former preference holders. Allotment letters (or fully-paid). Provisional or partly-paid allotment letters. \* With warrants. 11 Unlisted security.

#### CLIVE INVESTMENTS LIMITED

Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101. Index Guide as at January 9, 1979 (Base 100 on 141.77) Clive Fixed Interest Capital 129.92
Clive Fixed Interest Income 114.69

I.G. Index Limited 01-351 3466. Three month Copper 859,75-867.2 29 Lamont Road, London SW10 OHS. Tax-free trading on commodity futures.

The commodity futures market for the smaller investor.

ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD. 45 Cornbill, London, ECSV 3PB. Tel.: 01-623 6314. Index Guide as at January 18, 1979
Capital Fixed Interest Portfolio Income Fixed Interest Portfolio

### Silverthorne **Group Limited**

Year to 1st October	1978	1977*
	£	£
Turnover	3,982,110	3,682,275
Profit before tax	274,145	234,596
Tax	126,632	70,556
Dividend - Interim		
and proposed Final	52,500	42,000
Earnings per share	4.21p	4.69p
*Figures shown are adjusted trading period reported in ti	rpro-rata against ti he 1977 Report and	ne 15 months' i Accounts.

### Extracts from Chairman's Report

The results confirm the continuing improvement in Group performance. The only area of weakness was that of Joseph Gillott and Sons Ltd. the furniture castor manufacturing company in Dudley. The chain saw and garden machinery subsidiary, Danarm Ltd., achieved a record year. Silverthome Housewares Ltd. was very active both in its marketing and product development programme and the Abbey Metal Finishing Company was busy throughout the

Given reasonable stability in economic and trading conditions the Group should see a steady advance in the year ahead. The proposed total dividends at 1.5p per share would be equivalent to a total dividend of 22.39 per cent gross.

Annual General Meeting: 15th February, 1979.



### Profits again a record at over £3 million for 1977/78

Mr. J. B. H. Martin, Chairman, reports:

Despite continued disruption of the newspaper industry and a contracting tobacco market, sales increased by 18% and profits at £3,159,000 exceeded £3 million for the first time.

At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened.

Sales for the first nine weeks of the current year show an increase of 16% and we expect a material improvement in profits for 1978/79.

- 19 T -	Bak Tate	Day :	Close
Port. Esc. Spen. Pes. Ura Nrwgn. K. French Fr.		3.9708-4.0005 58, 10-58.4 10.2200-2605 5.98-5.7005 65.88-84.00 1.988-1.575 12, 18-10.10 8.4815-8.4980 8.68-9.72 592-402 28.35-27.10	2.6775-2.5785 3.88-5.99 58.15-58.25 10.2305-2405 3.6806-3.6905 - 93.10-83.60`
Relation	-		aanuamible

ranes. Financial franc 59.30-59.40.

Jan. 19	Ba'k rate		Close
U.S. 8	919		2.0030-2.0040
Canadian Ş Gulidər	]]]4 Blo	2.6750-2.5895 3.9708-4.0005	2.6775-2.6785 3.88-5.99
Belgian F	6.	58,10-58.40 10,2200-2605	58.15-58.25
Danish K Dimark	. <u>3</u>		3.6806-3.8906
Port. Esc. Span. Pes.	.18.	65.98-84.00 -	- 93.10-93.60` 139.95-140.05
Lira	1012	1,968-1,675	.1,670-1,671
Nrwgn. K. French Fr.	7	10, 15-10_10 R 4606_R 4960	. 10.14-10.15 <sub> </sub>  8.4 <b>705</b> -8.4805
SwedishKr	g1 <sub>e</sub>	8.68-8.72	8.69-8.70
Yen AustriaSch	ولاة . ولا		586.05-598.05 27.00-27.05
Swigs Fr			8.8478-8.8575

van. 19	2	Spread		
U.S. \$ Canadian \$ Guilder Belgian F Sunish K Port. Esc. Spen. Pes. Lira Nrwgn. K. French Fr. Swedishrin Yen AustriaSch Swes Fr.	94e 114: 84: 8 & 8 8 & 18: 84: 84: 84: 84: 84: 84: 84: 84:	2,0000-2,0198 2,3750-2,5895 3,5708-4,001 56,10-58,40 10,2200-2805 55,98-84,00 188,75-140,20 1,980-1,575 18,13-10,16 8,4805-8,4990 8,68-9,72 582-402, 28,85-9,73	58.15-58.25	
	A .			

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4.351 1.101

0.925

### FORWARD AGAINST £ -th g a a | Three

One month	% p.a.	Three months	% p.a.
0.37-0.27e-pm		1.12-1.02e.pm 1.80-1.40 c.pm	2.14 2.44
6.50-0.40c.pm 2-1e.pm 25-15 c.pm	4.58	6-5 c.pm 70-60 c.pm	6.53. 4.47
	-1.17	2-22 ore dis 9-8 pt pm	-0.68 9.21
45-85 c.dis 10-80 c. dis	-8.35	70-250 c. dis 86-183 c. dis	~6.43 ~3.86
12 (frepm-2dis 53-23 ore pm	0.18	5 lire pm-par 123-103orepm	0.36
512-212 c.pm 4-20repar	4,25	10-8 c. pm 11-9orepm	4.48 4.60

			<u> </u>
0.57-0.27e-pm		1.12-1.02e-pun	2.14
6.50-0.40c.pm		1.50-1.40 c.pm	
2-1e-pm	4.58	6-5 c.pm	6.53.
25-15 c.pm	412	70-60 c.pm	4.47
par 2 ore dis	-1.17	2.22 ore dis	-0.68
šie-23e přípm		9-8 pt pm	9.21
45-85 c.dis		70-250 c. dis	6.43
10-80 c. dis		85-183 c. dis	3.86
12 lirepm-7dia		6 lire pm-par	0.36
52. ore pm		123-104 orepm	4.63
312-212 c.pm		10 8 c. pm	4.48
4-20repar	4 14	11-9ore pm	4.60
4-2016pm	1004	17.25.10.85 voi	n 10.18

## | 1761-75.51 | 53.55.70 | 68-many | 1761-76.51 | 53.55.70 | 68-many | 1761-76.51 | 53.55.70 | 68-many | 1761-76.51 | 53.55.70 | 68-many | 153.25-163.25 | 761-8112 | 139an | 1

107.7

468.8 118.6

U.S. Dollar | Deutschem'iq Japan'ae Yen French Franc | Swiss Franc | Dutch Guild'r | Italian Lira | Canada Dollar | Belgian Franc

**EXCHANGE CROSS RATES** 

Pound Starling: French Franc 10 Swiss Franc

Canadian Dollar Balgian Franc 100

LONDON MONEY RATES 1214 1258 1258 1278 1278 1234 1234 124 121<sub>8</sub>-12 19<sub>15</sub>-121<sub>4</sub> 12<sub>76</sub>-12<sub>15</sub> 12<sub>15</sub>-12<sub>15</sub> 12<sub>15</sub>-12<sub>16</sub> 12<sub>16</sub>-12<sub>16</sub> 12<sup>5</sup>4

Local suthority and finance houses seven days' notice, others seven days' fixed. \*Long-term local authority mortgage rates nominally three years 123-123 per cent; four years 123-123 per cent; five years 127-13 per cent; \*Bank bills rates in table are buying rates for prime paper. Buying rates for four-month bank bills 123- per cent; four-month trade bills 123- per cent. Approximate selling rates for one-month Treasury bills 113- per cent; two-month 113- per cent; three months 113-113- per cent. Approximate selling rate for one-month bank bills 113-12- per cent; two-month 123- per cent; and three-month 123- per cent; and three-month 123- per cent; and also three-month 123- per cent. Finance, House Base Rates (published by the Finance Houses Association) 122 per cent from January 1, Clearing Bank Deposit Rates for analy sums at seven days notice 10 per cent, Clearing Bank Rates for landing per cent, Treasury Bills: Average tender rates of discount 11.9668 per cent.

MONEY RATES **NEW YORK** 

GERMANY Discount Rate . Ovemight Rate One month .... FRANCE

0.644 5.982

2.804 0.709

Discount Rate ...... Overnight Rate ...... JAPAN

### **APPOINTMENTS**

### WORLD STOCK MARKETS

## raise legal worries

A similar amount of such

judges have long been at pains to keep from the front door. It is the duty of this country's

courts to ensure so far as is practicable that justice is done

for British citizens and enter-

prises in disputes. It is the clear duty of the Crown's legal officers

much more, verbally and in writing to the Lord Chancellor's

those charged with the negotia-

even at this stage they are still

The Lord Chancellor's Depart-

BY OUR INSURANCE CORRESPONDENT

INSURERS-companies and the contingent fee system-Lloyds underwriters—are wait-ing for yet another draft of the of success in the UK. much discussed Reciprocal Judgments Convention with the U.S., first proposed, if memory are five to ten times more than

serves correctly, in 1976.

The fear is that when this new draft appears, they and other opponents of the convention (principally the Confederation of British Industry and the Lawyers' Association) will have all too little time in which to 23ther support whether for pregather support, whether for previously stated fundamental opposition or for further deailed amendment if opposition is not to be hearded.

to be heeded.

When the proposed convention
was discussed in 1978, insurers
were told that the Sant door when the proposed judicial rubber-stamping of U.S. judgments will import by the back were told that the final draft would have to be agreed with early summer to allow time for a Bill to be prepared and passed through Westminster by Summer next year.

#### Reciprocity

Reciprocity

to ensure that existing protection is not diminished without some good reason, some real, ments convention seems a fair solid, identifiable, quid pro quo. and reasonable way of ensuring that a litigant in State A in much more, verbally and in possession of a judgment in its courts can enforce that judg- Department and to other ment quickly and easily in State interested parties. However, B: and vice versa.

The essence of such conventions, of which many exist world. tions with the U.S. seem undeterred in principle as otherwide, is reciprocity. But recipbe on the production line. rocity does not just mean "you enforce my judgments and I will rocity is the requirement that the legal processes of the contracting states are of company. the legal processes of the contracting states are of comparable quality and that the judgments are of comparable worth.

Since the convention was most asking: "What is there in this for Britain?" Unfortunately,

If they are not: if the legal process is, say plaintiff-oriented in State A and defendant—
The Lord Chancellor oriented in State B; if the courts of injury compensation than do vention is fundamentally interests and the courts of the court state A claim jurisdiction in has not yet explained how disputes which for all practical purposes are outside its geographical or commercial orbit, while those of State B do not;

then theer is no reciprocity. Much well documented evid- maintain their opposition to a ence shows that in many of the individual United States, many ment of its worth, must incompensation claims succeed— evitably involve the export of partly because of the jury substantial British funds across system and partly because of the Atlantic.

### Judgment pact talks Trafalgar House subsidiary post

Mr. R. J. Chenery has been associate director and is responsible for the development of the YOUNG AUSTEN AND YOUNG the building services subsidiary of the Trafalgar House UK building discrete director and is responsible for the development of the group's UK business.

Mr. R. Beardsmore has been associate director and is responsible for the development of the group's UK business.

ing division.

TI HELLIWELLS announces the following appointments in its manipulation division: Mr. Clive Lisk becomes general manager and executive board member, Mr. Ken G. Daniel sales and service manager, Mr. Mervyn John production manager and Mr. Bryn Williams production control manager.

Mr. R. Beardsmore has been appointed a director of MON-MORE TUBES, part of the tube division of Ductile Steels and Mr. T. D. Morris has joined DUCTILE SECTIONS as director and general manager.

Mr. C. G. Porter, joint managing director, Travis and Arnold, has succeeded Mr. I. C. Robey as chairman of ASSOCIATED BUILDERS MERCHANTS

Miss Jenny Bacon has been appointed controller of the training services branch of the MAN-POWER SERVICES COMMISSION's training services division.

Mr. Hugh Eddowes has become technical director of APV-KESTNER and Mr. Frank Shaw has been appointed financial

Mr. Leslie Burrage, director and general manager of Product Resources, has been made man-

Mr. John Franklin has rejoined the Board of MWP INCENTIVES as a non-executive director.

Mr. Michael J. Allwood has been elected director designate of BROWN JENKINSON AND

Mr. Jim Alexander bas been appointed managing director of COOPER HEALTH PRODUCTS the UK subsidiary of Cooper Laboratories Inc. He also becomes vice president for the Cooper international division—in charge of European operations. Mr. Ray Jurich, the previous UK managing director, becomes president of COOPER LABORATORIES INTERNATIONAL INC.

Mr. Alan Packham has been appointed an associate director of GRINDLAY BRANDTS IN-SURANCE BROKERS with reis sensible for insurers to sponsibility for the servicing of clients of the group's UK non-marine business. Mr. Nigel Ravenhill has also been made an

Mr. G. C. Klapwick retires as chairman and member of the Board of the ROYAL NETHER-LANDS AIRCRAFT FACTORIES on February 1. At the same time he will withdraw from his various appointments with the subsidiary companies of the FOKKER GROUP, but will continue as consultant to the supervisory Board. Mr. F. Swarttouw has ben nominated as the new chairment of the Fokker Board of man of the Fokker Board of management.

and general manager of Product Resources, has been made managing director of the newly formed company, H.O.C. (CONSUMER ELECTRONICS).

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Mr. John Easton has recently been appointed project director for EARLS COURT LTD.

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Mr. Russell A. Peters, general manager, Fyfics Line, has been elected to the main board of FYFFES GROUP.

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Mr. Michael Gill, previously divisional manager, is appointed agricultural division director of the ABACUS GROUP. Mr. J. W. Pratt becomes chairman and managing director of the parent bolding company and Mr. Geoffrey Hall has been made managing director of Abacus Municipal and deputy managing director of Abacus Holdings. Mr. J. R. Cordrey is appointed deputy managing director of Abacus Municipal.

,	TEL AVIV		
	. Company	Prices Jen. 21 1979	
,	Banking, Insurance a	ind Fina	nce
1	Bank Leumi le Israel IDB Bankholding Union Bk. Israel Br. United Mizrahi Bank Hasaneh Insur. Br. Gen. Mort. Bk. Br "Tefahot?" Isrl. Mtg.	387 500 542 477 278 459 390 381	+ 17.0 + 10.0 + 7.0 + 47.0 + 17.0 + 50.0 + 36.0 + 18.0
E	Land Development Africa Israel Invest, Israel Land Dev. Br. Property & Building Public Utility Israel Electric Corp.	-237,5	+ 62.0 - 13.50 + 27.0 + 26.0
	Investment Companie Bank Leumi Invest. "Clai" Israel Invest.	s 448 402.5	+ 46.0 - 34.5
	Commercial and Indu Alliance Type & Rbr. Elco Br	1,321 237 318 195 571 352	+ 6.0 + 5.0 + 14.0 + 6.0 + 49.0 + 17.0 + 30.0
-	Delek	270	+ 26.0

#### Indices

NEW '	YOF	RK-	DOM	jorce	<b>.</b> 8	_		:		
			1				197	B-79	Since Or	mpilat'n
•	Јап. 19	Jan. 18	Jan. 17	Jan. 16.	15	Jan. 12	Ħlgh	Low	High	Low
e industrials	857.49	858.14	634.20	835,89	848,67	656.28	807.74 (8/9)	742.12	1051.70 (11,1/73)	41.22 (2/7/32)
H'me B'nds.	84,28	B4.45	84.18	84,15	84,09	84.11	90.86	84,09 (15/1/79)	- 1	<del>-</del>
Transport	219.68	219.82	216.50	216.89	218.79	217.67	261.48	189.51 (9/1/78)	279.99 (7/2/69)	12.25 (8/7,32)
Ttilitles	102.40	102.87	102.20	701.98	102_10	182.00	110.38	87.76 (20/12)	165.52 (20)4,69)	10.58 (28,4,42)
Frading vol.	28,900	27,280	25,310	ã0 ·420	27 800	67,290	-		_	- <u> </u> -
♠ Dav's big	. 846.£	7 low	833.94					• • • • • • • • • • • • • • • • • • • •		•

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5,98	

; Industrials \$Composite	111.15 89.75		110.87 <sub>1</sub> 110.84 88.48 99.46		1 (12/9)   (12/9)   6 8   106.98   8	5.52 104.53 6.6) (11/1/73) (50/6/32) 6.90 125.85 4.40 6.5) (11/1/65) (1/6/52)
			Jan. 18	Jan. 10	Jan. 5	Year ago (approx.)
Ind. div. yie	16名。		4.97	4.91	5,04	5.13
Ind. P/E Rat	do	-	9.01	8.93	8,84	8.74
Lone Gov. B	loud vie	м	8.97	8.98	8,95	8.17

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- 1		Jan.		Jan:	1970	B-79	_ ;	mon Tra		1.859	1,845	1.849
Į		18	17	16	Hìgh	Low	. 12	505 Dia		599	908 536	7591 85?
-	55.85	65.81	56,54	55.66	(11/9)	48.8 (6/3	Z L	etange e High e Lowa	d	454	401 22 10	401 17 15
_1										197	B-79 _	
. 1	HOM	TRRA	<b>.</b>		Jan.	Jan.		Jan.		High		
20				. •	19	18.	17	- 16			162.80	1000
5			dustris ombine		228.78 255.75	229,10 265,58	227.29 261,85	228,36 252,98		(19/1/79) (19/1/79)	170.62	(30,1)
B 1	TOR	NTO.	Comp	odte	1384.4	T660.5	1851.1	1855.4	1384.4	(19/1/79)	898.2	30/1)
42)	JOH	G	ARUE okd sduktate		272.8 287.2	282.9 285.5	260.8 297,4	251.8 254.8	272.8 297.4	(19/1/79) (17/1/79)	. 188.0 194.9	(15(5)
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				•	36 568.3 (19/1/	20 J	- T	pain	(4) 94	.72 94.8	2 98.79 (2)1/75	93.03 ) (12/1/79)
_					45 102.0	6 90	43 g	weden	(e) 5fl	.35 374.C	3 400.00 (4/8)	325.74
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2)	Italy	· [4]	) 71.8t		34 82.2	5 66.	45 †	Paris	Bourse	1961. ‡	t Comm	dustriai
5	Japa	n (4	458.6	S 457.	94 460.1	5 364 9 (4/)	.04 1	970, * 1	n Hang Com	merciala merciala	Italian	1972.
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EUROPE	· · · · · · · · · · · · · · · · · · ·		
MSTERDAM · ·	BRUSSELS/LUXEMBOURG	SPAIN V	TOKYO ¶
Jan. 19 Price + or Div. Yid.	Jan. 19. Price + or Fra. Yid.	January 19 Per cent  Asiand	Jan. 19 Prices + or Div. Y
121.7 + 1.7   218   4.6     20 (FL20)	Arbed	Banco Bilbab   222	Asahi Glass
blaco (Fl.50) 167.3-0.2 25.5 7.7 blinco (Fl.50) 123.5+0.5 s - cremb (Fl.50) 123.5+0.2 19.3 3.2 cyalDutchFl20 128.5+1.1 55.75 8.6 avenburg 251 1+2.5 20 8.0	COPENHAGEN 4  Price + or   Div. Yid.   Kroner -   % %	Gp. Velazquez (400) 165 — 60 — 0.25   Iberduero	Pioneer 2,040 +50 48 Sanyo Eletric 295 -1 12 Sakisui Prefab. 930 -6 30 Shiseido 1,170 +10 20 Sony 1,740 +30 40
127.5—0.5 \$0.50 0.8 11ever (FL20). 125	Andelsbanken 1454 11 7.6 Danske Bank 1271 <sub>2</sub> + 4 12 9.4 East Asiatic Co. 1403 <sub>4</sub> - 1 12 8.5 Finansbanken 137 13 9.7	Petroleos	Taisho Marine 250 +1 11 Takeda Chem 534 15 TDK
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Jan. 19 Price +or Div. Yld.	G Nthn H (Kr90) 288 +1 18 3.8 Nord Kabel 1754 +4 18 6.9	STOCKHOLM	Toshiba Corp 158 +2 10 Toyota Motor 875 -3 80
editanstalt	Ollefabrik 1284 + 24 - + - + - + - + - + - + - + - + - + -	Jan. 19 Price + or Div. Yid.  Kronor! — Kr. 2  AGAAB (Kr. 40) 211	
e) political on (	Superios 1694 - 4   12   7.1	414 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	

	<u> </u>	GERMANY: +	Billerud 46 2 - 3.5 Bofors 183 +1 v4 3.5	Amalgamated Rubber . 3.15   Susp.
WALL STREET		Jan, 19 Price + or Div. Yid.	Cardo 1765.75 3.3	Cheung Kong
NEW YORK   1978-79   Stock   Jan.   1978-79   Stock   19   High   Low   Stock   19	n. 1978-79   Jan. 197	BASF	Esselta (Free) 500 -1 8 2.7 Fagersta 115 4 3.5 Granges (Free) 56.5 56.5 16 4.0	E. Asia Navigation
1978-79	2   39%   2514   Reynolds Metals.   3512   714   34   Wyly   51	Bayer-Hypo	Mo Och Domsto Sandvik '8 Krs. 255 +1 5.75 2.2 2.5 3.K.F. '8 Krs. 64.5 4.5 7.0 3.5 4.5 4.5 7.0 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5	Hg. Kg. Kowloon Whari 27.80   27.70     Hong Kong Land   8.20   8.05     Hg. Kg. Shanghal Bank   18.60   18.70     Hg. Kg. Telephone   28.75   28.00     Hg. Kg. Telephone   28.75   28.00     Hg. Kg. Telephone   4.325   4.30     Lardine Matheson   12.10   12.10     Lardine Secs   6.10   6.00     Rubber Trust   4.45   4.80     Sime Darby   7.70   7.00     Swire Paolfic A   8.50   8.40     Wheelock Mardine A   2.875   2.975     Wheelock Martime A   3.65   3.60     Winsor Industries   3.225   3.178
1914   91a   Amer. Airlines   1414   265s   113s   Dictaphone   261s   361s   251s   567s   13s   Dictaphone   261s   361s   261s   361s   261s   165s   261s	7% 34 Saul Invest 54 1886 4.30 Agaico Eagle 688 189 412 Saxon Inda. 518 43 2412 Alcan Aluminium 428 43 1654 912 Schittz Brewing 1004 275 4148 Algoma Steel	Hoesch	Ajuminium	zd Ex-dividend. † Buyer. ‡ Seller. Susp. Suspended.  BRAZIL  Price † or Cruz Yid. Cruz   Div. % Accesite
7 358 Amer. Motors 614 6734 414 Eastman Kodak. 6158 2618 17 Long Isl'nd Ltd 179 4654 38 Amer. Nat. Res 38 419 33 Eaton 37. 2534 2019 Louisiana Land 231 3734 2819 Amer. Standard 43 3214 1654 E. G. & G 2914 4868 3534 Lubrizo 47 6412 5718 Amer. Tel. & Tel. 6118 3534 21 1659 El Paso Nat. Gas 1578 12 12 12 12 1512 Lykes Corpn 83 2714 2719 Ametek 51 3534 2719 Ametek 51 3534 2958 EmersonElectric 3714 3618 3619 MacMillan 115 3919 2919 EmersonElectric 3714 3619 3619 3619 3619 3619 3619 3619 3619	1976   1976   1978	Metaliges	Jeimoli (Fr. 100) 1.430 —5 21 1.5 Nestja (Fr. 100) 3.370 +50 \$85.7 3.6 Do. Reg 2.400 +40 \$82.7 3.6 derikton B(F250 2.580 +30 15 1.5 5.8 Sandoz (F.250), 4,025 +15 26 1.6 Do. Part Certs 480 +3 25 2.7 Schind CCF:100 305 +7 12 3.9 Suizer Ct(F. 100) 328 +3 14 4.2 Swissalr (F.350) 810 +8 10 4.5 Sw.Bk.Cp(F100) 372 +7 10 2.7 Sw.Reips.(F250) 4,980 +20 40 2.7	Bancodo Brazil 1.60 —0.020 169.62 Banco Itau PN. 1.67 +0.01 0.3792.22 Beigo Mifeira OP 1.04 +0.04 0.088.00 Lojas Amer O.P. 2.05 +0.05 0.06.15 Petrobras PP. 2.05 —0.040 135 6.22 Pirelli QP
201s   131s   Asarco	34     3044     224     Southern (allwy)     40     193;     164;     Consumer Gas.     187;       54     344     224;     Southism     287s     81;     4.95     Cosetca Resource     64;       52     291s     225s     S'w't Banshares.     25     133;     71g     Costain     11g       12     231s     145s     Sperry Hotch     153;     67s     Dann Devel     154       12     49     327s     Sperry Rand     47x     82s     52     Denison Mine     82s       73     367s     215s     Squibb     381s     111     701s     Dome Mine     94s       293s     225s     225s     18tandard Brand     253s     1051s     534     Dome Petroleum     101s	MILAN  Jan. 19   Price   + or   Div. Yid.   Lire %  ANIC	-Jan. 19 Aust. 5 + or ACMIL (25 cents)	MINES January 19 Rand +or - Anglo Amer. Corpn 7.25 +0.08 Charter Consold 15.10 +0.10 East Driefontein 15.9 +0.09 Harmeny 7.10 +0.30
39% 3518 Bankers Tr. N.Y. 35 51½ 39 Ford Motor 485; 72 55% Mobil Corpn. 701. 291½ 21¼ Barber Oll. 251½ 579 Foxboro. 321½ 6136 59½ 445% Morsanto 49 4958 35 Baxter Travenol. 43 1116 518 Franklin Mint. 6 6 54½ 346 Morsanto 49. 45. 351½ 116 518 Franklin Mint. 6 54½ 346 Motorola. 393 4073 30½ Beet'n Dick'nson 345; 35 181½ Franklin Mint. 267 57 35 Motorola. 393 4073 14 Bell & Howell. 15½ 16½ 17½ Fuqua Inds. 10½ 28% 28½ 25½ Nalico Chemicals 28% 51½ 21½ Benguet Cons B' 31½ 15½ 10 GA.F. 11½ 22% 14 National Can 201, Nati	4934 2436 iStd.Oil California 4614 2618 1438 Dominian Baye 1434 istd. Oil Indiana 5634 18 12 Domont	Do. Priv	Amarii. 51	Kinotes 6.50 +0.35
21	1312   325g   Tektronix   521g   475e   37   Home Oil A'   44   117   5714   Teledyne   11014   23   2114   Hudson Bay Ming   254   161g   4018   Hudson Bay   2014   151g   Hudson Bay   2014   151g   4018   Hudson Oil & Gaz   544   545   17   LAC   175g   175	OSLO  Jan. 19   Price   or   Div.   Yid.   %   %   %    Bergen Bank   108,25   -0.25   9   8.4	Aust. Ol. & Gas. 10.76   40.02   40.02   8	Siyvooruitzicht
214   1552   Bucyrus Erie   1818   3173   28   Gen. Tirs	10   10   10   10   10   10   10   10	Credithank	Cockburn Cement	Western Holdings         38.25         +1.25           Western Deep         18.70         +0.20           INDUSTRIALS         3.85         +0.10           AECI         2.85         +0.10           Anglo-Amer. Indust         12.60         12.60           Berlaw Rand         5.25         +0.05           CNA Investments         2.06         +0.01           Currie-Finance         1.05         +0.01
207a 14 Carter Hawley 153g 1534 247g Gould	4019 2612 (Traveers 3554 194 145) Norcan Energy 1859 1859 1759 1859 1859 1859 1859 1859 1859 1859 18	Rente 4; 718.1 - 0.9 41; 0 6 Afrique Occ'd't 416 - 2 24.75 5.9 Air Liquide 418 + 4 16.5 3.9 Aquitaine 530 + 7 28.25 5.0 BiC 519 + 9 13.85 2.0 Bourgues 926 27 42 4.6 E.S.N. Gervals 570 40.5 7.1 Carrefut. 1.986 75 3.8	Gen. Property Trust	De Beers Industriel     14.25       Edgare Consold Inv.     3.30     +0.10       Edgare Stores     138.00     +1.00       Fed. Volksbeleggings     1.93     +0.03       Huletts     2.45     +0.10       CTA     2.45     +0.05       McCarthy Rodway     0.80
44:e 35 Chemical 8k. NY, 40:e 22:s 134 Harnischfager. 17:4 29 20:s Peabody Intl. 25:s 27:3 30:s Chesebush Pond. 22:s 36:s 27:4 Harris Corpn. 30:s 22:4 19:s Penn Pw. & 19:s Pe	6314   501c   Unitever NV	C.G.E. 418 +1 31.5 7.4 C.1.7 Alcatel 1,011 +11. 70.8 6.9 Cie Bancaire 463 -11 12 2.5 Cib Mediter 510 +4 7.5 1.5 Crdit C'm.Fr'ce 135.0 +1.9 12 9.0 Creuset Loire 61.1 -0.5 -10 Dumez 672 +1 55.78 5.0 Fr. Petroles 141.8 +0.9 14,10.0 Gen. Occid mile 251.0 -0.5 8.28 3.28	Metals Exploration	OK Bazaers 8.30 Premier Milling 5.10 Pretoria Cement 1.167 Rand Mines Properties 2.40 1.07 Rembrandt Group 3.92 140.02 Retto 0.40 +0.0
467a 3514 CocaCola	251   211   US Oypsum   2612   2512	Lafarge 252 +2 18.77 6.3 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	Pionest Concrete   1.53 +0.01   Recidit & Coliman   12.73   12.73   1.05   1.	Sage Haldings 1.65 +0.05 SAPPI 2.63 -0.02 C. G. Smith Sugar 5.90 +0.05 SA Brawerles 1.38 +0.0 Tiger Oats & Net. Mig. 12.75 Unisec 1.30 Securities Rand \$U.S.0.621 (Discount of 45.87%)
49 291 Comm. Saterlite 4173 1612 813 ComputerScienc 125; 31512 23512 IBM 506.75 5938 2312 Polaroid 144 507. 3114 Conn Life Ins. 3554 2724 2048 Itm. Flavour 25 3118 2318 PPG Industries 27 2511 127: Conrac 24 4318 34 Int. Marketer 3712 2254 2018 Pub. Ter. Elect. 2112 2612 2112 Consol Foods. 2278 25 17 Intl. Mutticods. 1912 4634 24 Pullman 5644 445, 5318 Consol Nat Gas. 3714 1919 1318 Inco. 3914 2712 2018 Pullman 5644 2412 2113 ConsumerPower 2218 4634 3558 Intl. Paper 3914 2712 2018 Pullman 2412 3514 2612 Continental Grp. 2813 1512 664 Intl. Flavour 3914 2712 2018 Pullman 3414 2412 2113 Continental Grp. 2813 1512 664 Intl. Flavour 3914 2712 2018 Paper 3914 2712 2018 Pullman 3514 2514 Continental Grp. 2813 1512 664 Intl. Tel. 2814 2514 Continental Tel. 3514 2514 Continental Tel. 3514 2514 Continental Tel. 3514 2514 Continental Tel. 3514 2514 Intl. Tel. 2814 3514 2314 Continental Tel. 3514 2514 2514 2514 2514 2514 2514 2514 2	173   Walst-Ren mart 29   221g   165g   Toronto Dom, Bk;   224g   451g   25   Weston Bancort   27   101g   155g   155g   Trans Carpipel.n   181g   183g   155g   175g   175g   101g	Pechiney	NOTES: Overesse prices exclude \$ withholding tex.  • DMSD denom, unless otherwise sp wise struct. • Kr. 100 tienom, unless oth otherwise statud. • Yen 50 denom, unless suspension. • Floring. • Schillings. • Cc and/or scrip issue. Per shere. 7 Franta ster scrip Structor rights issue. • Affect including United div. • Nom. • Shere s	primium. Beigian dividends ere after and Prizs 500 denom, unless other-erwise stated. Frs. 500 denom, unless is otherwise stated. Frice at time of ans I Dividend after pending rights a Gross div. N. & Assumed dividend focal axes Trans.

5.85 6.61 6.14

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Price

100

Lead manager

Deutsche Bank Nikko Securitia

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Deutsche Bank

Dresdner Bank

Lazard Frères et Cie

Crédit Suisse First Boston

Swiss Bank Corp. nque Keyser Uli en Suisse

WestLB

CURRENT INTERNATIONAL BOND ISSUES

93

† Floating rate no Exchange Commission range Ministry

9.8 9.8

1989

1987

1984

175

INTERNATIONAL BONDS

BY FRANCIS GHILES

whole remained uneasy.
The moderation in U.S. money supply growth and a slight eas-ing in short-term. Eurodollar rates created short-covering by dealers. But dollar bond prices

ness in currency markets.

He was talking of warrants, and warrants were the talks of

the Eurobond market last week.

investors would otherwise de-

a price of 84 or so, the investor

13 Bayer shares at DM 136 for

the next ten years.

BAYER BOND

issue for Bayer continues to be a major market talking point.
Some big Swiss banks indicate that retail demand for the offering is sizeable. The reaction else-where in markets seems quite subdued, however. This latter

Deutsche-Mark prices were off

Sizing up the warrants

Is it worth it? The record

decade of 25 per cent in earning per share. The number of

shares outstanding has risen to

potential for a further 2.6m

shares. The Bayer share-price,

have reflected these develop-

The warrant purchaser is

in the wake of the Bundesbank monetary measures which are expected to drain about DM3bn

measure, coming in a week which saw renewed nervousness in foreign exchange markets about the effectiveness of last borrowing in the foreign DM

Of the DM issues priced last week, greatest demand was recorded for the Nippon Telephone and Telegraph

DM 40m private placement for

After the success of the offering last August, the coupon. Deutsche Mark prices were off which was priced at par instead Peugeot-Citroen issue, which issue went to the three big will be amounted when the by about a point on the week, of an indicated 99. West- was increased to FFr 175m and Swiss commercial banks.

priced at 100½, another French Franc Eurobond is expected very shortly, possibly for a European institution.

Apart from three new issues.

the event of the week in the Swiss Franc sector was the ties related to withholding tax. announcement of the terms of The other issue, for a Brazilian the Carter bonds: the shorter borrower, was delayed as antranche was three times oversubscribed while the longer bonds were twice. The U.S. Treasury accepted subscriptions of SwFr 1.247bn for the 21-year notes and SwFr 768m for the 4-year bonds. It appears likely that well over half the total



U.S. DOLL'ARS

D-MARKS

New Zealan

**Oesterreichis** 

Kontrollbank

FRENCH FRANCS

SWISS FRANCS

Heron Corp. Ltd.

**AUSTRALIAN DOLLARS** 

**1Denmark** 

Eurofima

TTEIB EIB

Bayer Int. Finance NV

tAmerican Express Int

†Nippon Telephone & Tigrph (g'teed japan)

BY DAVID LASCELLES

### **Events without pattern**

ALTHOUGH BOND weakened most of last week, in reaction to unfavourable news here and abroad, market observers confess to some perplexity about where events are

In the past seven days, they had to make sense of the following events: Fed chairman William Miller's warning that 1979 must be a year of austerity; news that the economy measured by GNP growth and housing starts is still surging ahead; a Bundesbank estimate that \$50bn was spent last year propping up the dollar; and finally the easing of the money supply, confirmed by the latest Fed figures.

Althoung Mr. Miller's words gave bond prices a knock, they also reassured those who feared the central bank lacked the grit to go through with its fight against inflation, which is the The White WOITY. House made much of the economy's strength as shown by the 6.1 per cent annual growth rate, in the 1978 last quarter, but many people saw this as bad news for credit and prices.

The latest money supply figures were the best news of the week providing the market with a last minute fillip on Friday, but sceptics point out that the turn of the year figures are seldom reliable, and the fed is already adjusting earlier figures upwards.

Combined, all these things heightened the market's air of expectation, though for what is economist at Bankers Trust, for instance, writes: "The specific question posed is how long the economy can continue advance without the fuel of an expanding money supply. Some forecasters ith a strong monetarist bent feel the answer is not much longer, and that the

self is not so sure. Mr. Henry Kaufman, Salomon Brothers, comments: bined with powerful inflationary pressures should cause concern about the adequacy of the recent restraining pstoure of the Federal Reserve." Mr. Kaurman

Manufacturers Hanover takes another view: in the face of a declining money supply a stronger dollar and an improved U.S. balance of trade it says "a further tightening on the part of the Fed would not seem to be called for."

But even if the Fed itself does not nudge up interest rates. they will probably go up anyway in response to strong credit demands, and inflation. The recent easing in short-term rates is seen as a temporary phenomenon. More important is the continuing strength of business and government credit needs which are expected at least to match last year's.

As many observers on this side of the Atlantic see it, the peak in interest rates is very fed's posture could be deter-close," although Mr. Lerner him-mined by what happens to the dollar. Despite President Carters rescue package, the dollar. currency is still viewed with "The continued strong per concern, and its fragility was formance of the economy com- underlined last week by the market's nervous reaction to the Bundesbank statement, on intervention, and the warning by a senior official there that countries with strong currenparticularly since wages are gave warning that without cies must give serious considers still rising faster than profurther tightening, pressures on tion to their own interests. gave warning that without cies must give serious considera-

### Unease over weakening dollar

WHILE EURODOLLAR bond bonds are priced.
prices gained some useful tech. However, under present marnical support last week the ket conditions, an overall 9.75 international bond markets as per cent annual yield is expected.
The \$200m 10-year warrants to be

Slater used to argue that if in- of the last ten years shows that

restors wanted to give him Bayer AG's after tax profits money for the right to give have not grown at all. him more money later, then Beyond static earnings there

that seemed a good deal to him. has been a dilution over the

By offering warrants Bayer 46.6m from 32.1m since 1969-

is paying only 71 per cent for the year of the last Eurobond \$200m for ten years—some 21 with warrants attached. This per cent less than the return new warrant issue implies a

ex-warrant bonds will settle at and the warrant exercise price,

is being asked to pay \$160 per ments-DM 200 in 1969 com-

\$1,000 bond for the right to buy pared with DM 136 today.

dvance and the dollar itself howed ominous signs of weak-The only new dollar issue is market quotations for the issue, \$100m 12 year bond by the European Investment Bank, 80 week at a discount of less per cent of which will be placed 1-1-1, before widening last in Japan. As with a similar Friday to less 1-1-1. offering last August, the coupon'

in domestic liquidity.

The net result on the German November's dollar package, will be to push up German domestic interest rates and, by implica-tion, increase the cost of

BY NICHOLAS COLCHESTER

an anti-dilution clause. The warrant exercise price should

be adjusted downwards as the share capital expands. In prac-

tice, the 1969 exercise price has

case of both the old warrant

issue and the new one, the

Bayer management can avoid

price adjustment by offering

warrant holders subscription

Against this unexciting back-

ground must be set the fact

that Bayer has assigned a con-

remained uhchanged.

rights to rights issues.

two issues but not because of disagreement with the bor-One of the planned bonds, a

a Spanish motorways company, was delayed because of difficulother Prazilian entity. Electrobras, is expected to announce a DM offering this week. The Brazilian authorities apparently wanted to avoid having two issues in the market at the

same time.

180 OM per Share BAYER SHARE PRICE 140 160 BUNDESBANK INDUSTRIAL INDEX 120 '72 '73 '71

supposedly protected against rule of thumb in the warrant costs half this. Discounting at today.

game is that the average war- 5 per cent per annum and servative value to the new war-rant is worth 30 per cent of its taking the ten-year view, Bayer rant: around DM 22 to buy each exercise price — assuming that shares will have to rise by just Bayer share at the current price this is in line with the current DM 35 over this period to jusfor the next decade. The crude share price. The Bayer warrant tify investment in the warrant

Assuming that the

## Recessionary threat to the capital markets

several of the liquidity problems of the mid-1970s for the inter-national capital markets, accord-accompanied by a slowdown in

slowing Western growth is that in manufactured goods prices of renewed economic pressures will 8 per cent compared with a rise be exerted on the less developed in primary commodities of countries (LDCs), propelling only 6 per cent in assumed. some of them into acute

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SIRG.

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An American GNP growth ing to economists at Amex overall OECD growth, implies a Bank. deteriorating trade balance for A major danger arising from the LDCs, particularly if a rise

> On this basis the overall growth of the developing world's

restricting import growth, the current account deficit for the forecast says. developing nations would widen

The net effect would be substantial reductions in LDC hold- markets on present terms and ings of international reserves margins will become restricted by \$3.5bn in 1979 and \$12bn

by 1980. "By the end of 1980 LDC

THE SEVERE recession facing the credit markets in the light this year and 4 per cent in 1980, months of the yearly import place at much higher margins, the U.S. threatens to re-awaken of global economic downturn. Without major attempts at bill, signifying a return to the Amex argues. depressed levels of 1975," the

> High U.S. interest rates. from 1978's \$34bn to \$47bn this slower monetary expansion and year and \$56bn next year, Amex tightening of U.S. banks' forecasts. that the supply of funds in the Euro- lines are heavily concentrated

BONDTRADE INDEX AND YIELD

EUROBOND TURNOVER

\* No information availableprevious day's price. † Only one market maker supplied a price. STRAIGHT BONDS: The yield

It projects gross mediumterm LDC Euroborrowing this year at \$16bn, rising to \$20bn in 1980, compared with 1978's figure of \$20bn. However, established credit

among a handful of countries. with Brazil and Mexico alone As the banks' portfolio mix taking more than 40 per cent changes reflecting a shift in of total LDC Euroborrowing demand to LDCs from OECD last year, it adds. Not all LDCs of total LDC Euroborrowing These projections, made in experts to OECD nations would stocks of international reserves countries—thus substantially can be sure of solving their Amer's latest review, represent fall from a current 71 per cent will be approximately \$50bn, an effort to chart the course of in 1977 and 1978 to 5 per cent enough to finance only 2.7 sures—borrowing will take borrowings.

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is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier. FLOATING RATE NOTES:
Denominated in dollars unless
otherwise indicated; M=Minimum coupon. Cdte=Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield. CONVERTIBLE BONDS: De-

S. G. Warburg and Co.; Wood

Closing prices on January 19

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Ridgefield Mana

Royal Tst. Can. Fd. Mgrs. Ltd.

High Minimum Fends Select Internat...... Select Income

Minster Fund Managers Ltd. Minster He. Arthur St. EC4. 01-623 1050 Minster Jan. 15. 37.8 39.8 39.8 5.42 Exempt Dec. 29. 97.5 103.5 ..... 5.41

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Pelican Units Admin, Ltd. (g)(x)

Norwich Union Insurance Group (b) P.O. Box 4, Norwick, NRI 3NG. 0603 22200 Group 7st. Fd. 372.5 392.1| +2.6| 5.33

National Provident Inv. Mogrs. Ltd.9

16 Finsbury Circus, EC2M 7DD

2 St. Mary Ave, EC3A 8BP

45 Brech St., EC2P 2LX

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INSURANCE BASE RATES †Property Growth ..... 12%

†Address shown under Insurance and Property Bond Table.

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# Caledonian Holdings



## Offer for Sale by Noble Grossart Limited

of all of the 10,000,000 issued ordinary shares of 25p each at 65p per share payable in full on application

#### BRIEF INFORMATION

The following information is taken from the full text of the Offer for Sale and accordingly must be read in conjunction with that text:

Ownership Caledonian Holdings (formerly Stenhouse Industries Limited), or its predecessor company, has been a wholly owned subsidiary of Stenhouse

The Caledonian Holdings group is a diversified consumer products group with activities in home improvement, jewellery, engineering and ladies hosiery.

Turnover and pretax profit

Years to 30th September 1976 Turnover (£000) 22,765 26,115 31,084 36,885 41,937 Pretax profit (£000) Issued share capital

£2,500,000 in 10,000,000 ordinary shares of 25p each

Pro forma shareholders' funds at 30th September 1978 Shareholders: funds £6,991,000 Shareholders' funds per share

Offer for Sale price Value of issued share capital at the Offer for Sale price £6,500,000

Illustrated earnings per share based on (a) the above pretax profit for the year to 30th September 1978. and (b) corporation tax at 52%

Price earnings multiple based on (a) the Offer for. Sale price and (b) the above illustrated earnings per

Forecast dividend per share (including the related tax credit at the current rate) for the year to 30th

Gross equivalent dividend yield based on (a) the

Offer for Sale price and (b) the above forecast dividend.

The following is a len of Caledonian Holdings: is a letter to Noble Grossart from Mr W. Roy Burns, the chairman and managing directo

To the directors

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Noble Grossart Limited - 19th January 1979

1 have pleasure in providing you with the following information in connection with your Offer for Sale of the whole of the issued ordinary share capital of Caledonian Holdings Limited ("Caledonian Holdings").

### BACKGROUND

Caledonian Holdings, which is at present a wnolly owned subsidiary of Stenhouse Holdings Limited (Stenhouse Holdings), is the holding company for a diversified consumer products group whose business is in home improvement, lewellery, engineering and ladies hosiery.

Sternhouse Holdings has recognised for some time that the continuing development and expansion of Caledonian Holdings could more easily be achieved if it were to become an independent listed company rather than remain as part of a financial group. This step was also seen as being helpful to Stenhouse Holdings which could then particularly concentrate its resources on insurance broking and related activities. It was also believed that this separation would permit a more accurate assessment of the respective performances and values of the insurance broking and consumer product interests of the group. Since early 1976 it has therefore been the stated intention of Stenhouse Holdings that at an appropriate time Caledonian Holdings would be separated from the Stenhouse Holdings group and would seek a Stock Exchange listing as

Accordingly, Stenhouse Holdings has today completed arrangements for an Offer for Sale by Noble Grossir. Limited of all of the 10,000,000 issued ordinary shares of 25p each in Caledonian Holdings at a price of 65p per share. In order to exists the shareholders of Stenhouse Holdings to retain an interest in Caledonian. Holdings, preferential consideration will be a seen to the consideration of the consideration will be a seen to the consideration of the consideration will be a seen to the consideration of the consideration will be a seen to the consideration of the considerati Caledonian. Holdings, preferential consideration will be given to applications from such shareholders in respect of a maximum of 1,000,000 ordinary shares.

#### HISTORY OF CALEDONIAN HOLDINGS

Most of the present trading subsidiaries of Caledonian Holdings were formerly part of a listed company, John Wallace & Sons Limited ("Wallace") in which, between 1962 and 1969, Stenhouse Holdings acquired a

25.2% interest. In 1970 Stenhouse Holdings made a share offer and acquired the remaining 74.8% of Wallace, which was then renamed Stenhouse Industries Limited ('Stenhouse Industries').

In 1972 the largest subsidiary of Stenhouse Industries, British Electrical Repairs Limited ('BERL') was sold for famillion. At that time BERL accounted for approximately 45% of both the profits and the capital state of the capital state of the capital state of the state of employed within the Stenhouse Industries group. The sale of BERL was effected by firstly transferring all of the other subsidiaries of Stenhouse Industries to a newly formed subsidiary of Stenhouse Holdings, ahouse Continuation Limited, and by their selling Stenhouse Industries as a company which had only one subsidiary, BERL Shortly thereafter Stenbouse Continuation Limited was renamed Stenbouse Industries Limited; in November 1978 it was renamed Caledonian Holdings Limited. No part of the proceeds of the sale of BERL was retained within the Caledonian Holdings group.

#### OPERATING STRUCTURE AND CONTROL

Caledonian Holdings' activities are divided into 4 operating divisions. These divisions and their contribution to the Caledonian Holdings group profit before central costs, interest and tax for the year to 1978 Profit Contribution 26.7 30.7 132.2

100.0

Central conservative 2,728

The management of Caledonian Holdings operates on the basis of tight funancial control throughout the group. Within that control the directors of the individual subsidiaries are encouraged to develop their respective businesses on an independent basis so as to achieve the financial objectives set by the board of Caledonian Holdings.

Financial control—Each subsidiary of Caledonian Holdings prepares annual budgets for profits, capital superdiffure and cash flow. Before approved these budgets are reviewed by central management and are

Financial control.—Each subsidiary of Caledonian Holdings prepares annual budgers for profits, capital expenditure and cash flow. Before approval, these budgets are reviewed by central management and are related to group financial targets. Each subsidiary produces detailed monthly accounts and is required to reintrol to the holding company a monthly cash payment equal to each month's pretax profit adjusted to linding depreciation and to exclude agreed capital expenditure for that month.

Management control.—The chairman of each subsidiary is a director of Caledonian Holdings. In some cases the managing director of a subsidiary is also a director of Caledonian Holdings. All material decisions are discussed between the chairman and managing director of the relevant subsidiary either informally or at regular meetings. Responsibility for the day-to-day management of the activities of each subsidiary is delegated to the managing director or general manager of that subsidiary. The particular responsibilities of the 4 executive directors of Caledonian Holdings are referred to under 'Directors' below.

The Caledonian Holdings board meets at intervals of about 2 months to review trading results, capital expenditure and financial arrangements, and personnel matters.

pendinure and financial arrangements, and personnel matters.

This form of management enables the Caledonian Holdings board to maintain a close control over the financial progress and development of all subsidiary companies within the group without the need for a large central management staff. I am based in Edinburgh and am in active contact with all of the

companies within the group. The other executive directors of Caledonian Holdings are based at the companies for which they have particular responsibility.

I now companies to the activities of each of the discioner I now comment on the activities of each of the divisions.

### HOME IMPROVEMENT DIVISION

Years in 30th September Turngvier (£500)	1974 1975	1976	1977	<i>1978</i>
	7,090 8,379	11,374	12,715	16,2 <b>3</b> 9
Profit before central costs, interest and tax (£000)	288 402	627	708	767

Authorised

#### SHARE CAPITAL

Issued £3,000,000 In 12,000,000 ordinary shares of 25p each £2,500,000

The ordinary shares now offered will rank in full for all dividends hereafter declared or paid on the

ordinary share capital of Caledonian Holdings.

At close of business on 31st December 1978 Caledonian Holdings and its subsidiaries (the Caledonian Holdings group) had outstanding unsecured bank overdrafts of £604,655, secured vehicle stocking finance of £227,466, acceptance credits of £500,000, secured loans of £88,012, unsecured loans of £37,553, unsecured loan stock of £1.037.643, leasing and hare purchase commitments of £246,033 and guarantees of £215,117. In addition, the Caledonian Holdings group owed £334,161 on current account to Stenhouse Holdings and its subsidiaries at 31st December 1978. Save as aforesaid and apart commitments of £246,033 and guarantees of £215,117. In addition, the Caledonian Holdings group owed from inter company borrowings and guarantees within the Caledonian Holdings group, neither Cale any of its subsidiaries had ourstanding at that date any form capital, mortgages or other horrowings or indebtedness in the nature of borrowing, including bank overdraits and liabilines under acceptances (other than normal trade bills), or acceptance credits, hire purchase communents or guarantees or other material contingent liabilities.

The principal operating companies in the home improvement division are Timberland Limited ("Timberland") and Ideal Timber Products Lamited ("Ideal Timber").

Tumberland, whose head office is in Edinburgh, is one of the largest retailers of home improvement and doir-yourself products in the UK. We estimate that it accounts, nevertheless, for only some 1% of this expanding market. The product range comprises kuchen and other furniture, paint and wallpaper, timber, looring, hardware, garden equipment and building materials. A substantial part of the furniture, paint and

hardware ranges is sold under Timberland's own brand name.

Timberland sells through 2 types of outlet: shops, mainly high street shops, trading as 'Timberland', and retail warehouses trading as 'Big T Timberland'. Nearly all Timberland's shops and retail warehouses are on short term or medium term leases. This has the advantage of permutting rapid expansion within the financial resources available but it does inevitably involve rent reviews. Current practice on new leases is to establish reviews at 5 yearly intervals.

There are 63 shops with selling space ranging in size from 700 sq. ft. to 7,500 sq. ft. and these currently account for just over 50% of Timberland's turnover. 16 shops are in Scotland and the remainder are in England. Timberland's policy is to close small shops and to acquire larger units. There are 12 retail warehouses ranging in size from 9,000 sq. ft. to 33,000 sq. ft. These have the advantage over shops of considerably lower rental costs and also of car-parking facilities for customers. 9 of the retail warehouses are in Scotland and 3 are in England. The earlier warehouses were fitted out at a minimum of cost, but recent openings have been fitted out to a much higher standard which includes display settings to allow the customer to see the full

The first retail warehouse was opened at Renfrew, near Glasgow, only some 3½ years ago. We have made rapid progress since then and further growth should be achieved with the opening shortly of 4 new warehouses; at Rentrew a larger unit, covering 42,000 sq. ft.. has been leased and should start trading in the spring of this year and warehouses at Grimsby, Sunderland and Shellield will add a further 61,000 sq. ft.

Timberland sells on a cash basis, it also offers hire purchase facilities through a finance house. Timberland has a strong presence in Scotland. Just under 50% of sales come from the 16 shops and 9 warehouses in Scotland. This coverage enables cost effective advertising both in the press and on television. improvement market. There is particular opportunity for expansion in England where our presence is less

Timberland's furniture sales account for approximately 40% of its total sales, and are therefore a very ortant part of its business; 80% of Timberland's furniture is produced at the group's own factory trading as Ideal Timber Products Limited. Ideal Timber's 177,000 sq. it. factory and warehouse at Dumbarton are modern, with plant and machinery designed to produce a range of melamine-faced or painted chipboard furniture, primarily kirchen units; Production is currently running at some 6,000 units per week, 5,000 of which are kitchen units, and the remainder largely chests of drawers, bedside cabinets, desks and lounge units. All products are packed in easily transportable cartons in kit form ready for customer assembly, a

method which is particularly suited to the home improvement market.

Virtually all of Ideal Timber's non kitchen unit production is sold through Timberland. In the last financial year 53% of Ideal Timber's sales was to Timberland and the remaining 47% was sold outside the Caledonian Holdings group, either to distributors or directly to budders' merchants. To service these outside customers, Ideal Timber has a small national sales force of 18 representatives. The kitchen units made by Ideal Timber sell under the brand names of 'Pacemaker', 'Passport' and 'Compass'. In April 1978 a new melamine-faced metric kitchen unit range called 'Calypso' was introduced to the Timberland outlets, and sales to date have substantially exceeded our expectations. This range was designed to enable customers to

make their own choice of door and drawer finish which can then be attached to a standard unit.

Ideal Timber has some 2% of the total UK market for Enchen units and approximately 5% of the self assembly market, Ideal Timber works closely with Timberland and should benefit from the planned expansion of that company. We are nevertheless conscious of the need to keep abreast of current innovations and designs within the furniture market generally.

The home improvement division also has a 9,300 sq. fi. silk screen printing factory in South London,

trading as Expedite Publicity Limited. This small but efficient company makes sales tickets and posters.

Although 1978 showed only a modest increase in the profits of this division, trading in the current year has started well and sales for the first 2 months are significantly above those for the same period last year. We are confident that our continuing policy of expansion will show benefits in profit terms in the future.

#### **IEWELLERY DIVISION**

. 1975 Years to 30th September 1976 1978 1977 6,317 Turnover (£000) 5,226 8,475 9,044 Profit before central costs, interest 843 and tax (£000) 600

The jewellery division is one of the leading manufacturers in the UK of precious jewellery in the popular price range. Its main products are weaking rings, engagement rangs, signet rangs, earrings, pendants, bracelets, lockets, cull links, charms and simulated and cultured pearls. Designs are in the main traditional, but new ranges are produced at frequent intervals to take account of inshion changes.

Production is at 4 locations: Hatton Garden in London, central Birmingham, King's Norton near mingham and Learnington Spa, The total area of these factories is approximately 55,000 sq. ft. The King's Norron and Learnington Spa factories, which are treshold, are purpose built jewellery factories and have space for expansion. The existing central Birmingham location is an old building in the established jewellery area of the city and we have recently agreed to lease, as an alternative, a new building directly opposite. The jewellery industry is still craft orientated and is thus not plant intensive. We believe

that we are as well equipped as any of our competitors.

Sales to retail jewellers account for some 40% of total sales and the remaining 10% is to leading mail order houses. We have over 2,750 active retail accounts, serviced by a national and international sales force of

33 representatives. Retail customers include most of the major retail rewellery groups.
The jewellery division comprises 6 companies, 4 of which are involved in both manufacturing and selling, and 2 are devoted solely to export marketing. Export sales account for approximately 13% of total

Jewellery manufacture requires the use of significant quantums of precious metals and stones. At 30th September 1978 the value of the jewellery division's stocks was 44.2 million. Inevitably, the financial nce of the division is affected by the movement in the prices of the commodities which it uses and, while the broad trend of prices in recent years has been upwards, there have been sharp short term fluctuations, particularly in the price of gold. This has resulted in customer demand switching to products with a lower gold content and this has led to a consequent squeeze on gross profit margins. We remain very conscious of the need to maintain a balance between the range of choice we must offer to our customers and

the financial implications of large stockholdings.

The jewellery division had a difficult year in 1978 with profits down by about 8% compared with the previous year. This reflected in part a weakness in demand from mult order houses, although there was an improvement in demand towards the end of the year. We expect profits of the jewellery division for the current financial year to be better than those of last year.

With an efficient manufacturing operation and close trading links with most of the major retail jewellery groups we are confident of the longer term future for the jewellery division. We have to recognise, however, that the long term growth of the division is largely dependent on the growth in overall demand for jewellety

#### **ENGINEERING DIVISION**

Years to 30th September 10,952 12,500 Turnover (2000) Profit before central costs, interest 616 679

The engineering division comprises 7 trading companies. The largest profit contributor within the division is Polarcold Limited ('Polarcold') which for the year to 30th September 1978 earned a profit of 4418,000 before central costs, interest and tax. Polarcold produces and fabricales metal pressings for the motor and domestic appliance industries; it is based at Congleton in Cheshire, where is has a 180,750 sq. ft. factory complex which is mainly purpose built. Excluding motor vehicle manufacturers, this company has one of the largest pressing plants in the UK with a total of over 100 presses of wide ranging size and capacity. Polarcold's principal customer is Ford Motor Company Limited whose car, truck and tractor divisions purchase fuel tanks, hody panels; pulley assemblies and other smaller components. These 3 divisions of Ford have been customers for over 30 years, and last year accounted for 55% of turnover. Polarcold also makes components for washing machines and gas fires. We believe that the extensive production facilities of Polarcula will enable it to maintain an efficient service to customers. This should create a strong base for the future but we recognise that the progress of Polarcold will be largely dependent on the requirements of major

There is a small subsidiary which is also based at Congleton, Tropical Packers (Cheshire) Limited, which manufactures wooden packing cases.

#### DIRECTORS

William Roy Burns (chairman and managing director), 2 Stenhouse Road, Gorgie Road, Edinburgh EH11 3LS.

James Robson Conway, P.O. Box 15, Birch Road, Broadmeadow Industrial Estate, Dumbarton G82 2RG.

Herbert Verdun Maxfield, Bath Vale Works, Congleton, Cheshire CW12 2HD. Brian Abraham Neiman, 190 Tachbrook Road, Leamington Spa, Warwickshire,

Norman Somerville Macfarlane (non-executive), Clansman House, Sutcliffe Road, Glasgow G13 1AH.

Richard Geoffrey Newbery (non-executive), 4 Clarkewood Close, Wiswell, Whalley, Blackburn, Lancashire BB6 9BX.

#### Secretary and registered office

Norman Alexander Macleod CA, 2 Stenhouse Road, Gorgie Road, Edinburgh

Auditors and reporting accountants

Thomson McLintock & Co. Chartered Accountants, 216 West George Street, Glasgow G2 2PF.

#### Solicitors

Boyds, 36 Renfield Street, Glasgow G2 1ND.

W. Greenwell & Co. Bow Bells House, Bread Street, London EC4M 9EL. Parsons & Co. 100 West Nile Street, Glasgow G1 2QU.

#### Property valuers

Richard Ellis, Trafalgar House, 75 Hope Street, Glasgow G2 6AJ.

Bank of Scotland, 165 West George Street, Glasgow G2 2JR. Noble Grossart Limited, 48 Queen Street, Edinburgh EH2 3NR.

Registrars and receiving agents to the Offer for Sale Bank of Scotland, 26A York Place, Edinburgh EH1 3EY.

Thomson McLintock & Co. 216 West George Street, Glasgow G2 2PF.

neering division has 2 factories in Glasgow. One of these specialises in the fabrication of stainless steel sanitary ware. The other supplies and instals electrically heated storage tanks for bitumen primarily for use in the quarry industry, and also undertakes general electrical contracting work. These activities are undertaken by 3 separate companies, Associated Metal Works Glasgow Limited, The Clarmac Engineering Co. Limited and Edmiston Brown & Co. Limited, which for the year to 30th September 1978 earned a total profit before central costs, interest and tax of (130,000). These 3 companies produce a high return on capital employed but have limited growth prospects.

Praills Herelord Limited ('Praills') is a distributor of Seddon Atkinson heavy commercial vehicles for

Hereford and South Wales, with depots at Hereford and Swansea. Having been a Perkins Engine distributor for several years, Praills obtained in 1976 the franchise to operate a Perkins Power Centre covering the West Midlands and South Wales, Praills' profit before central costs, interest and tax for the year to 30th September 1973 was £280,000. The profit performance of this company will inevitably reflect the fluctuations in demand in the road haulage and vehicle distribution sectors. It has nevertheless achieved on average a high return on capital employed over the last few years and we believe that it can continue to do so in the future.

A. Baird & Sons Limited is a distributor for Massey-Ferguson agricultural machinery and for Peugeot

cars, and a retail dealer for Austin and Morris cars, operating from premises in Annan and Dumfries in South West Scotland. This company earned a profit before central costs, interest and tax of 191,000 for the year to The engineering division achieved record profits in 1978. The first 2 months of the current financial

year have inevitably been affected at Polarcold by the recent Ford strike, but we are hopeful that the division as a whole will make good any lost turnover before the end of the year.

#### LADIES HOSIERY DIVISION

Years to 30th September Turnover (£000) 4.150 4.851 4,743 4.154 Profit/(loss) before central costs, interest and tax (2000) \*after crediting temporary employment subsidy as indicated below.

The hosiery division manufactures ladies tights, socks and stockings in both fine and heavy denier yarns. The hosiery division manufactures ladies tights, socks and stockings in both fine and heavy denier yarns. The division is based near Hinckley in Leicestershire, where it has 2 factories, covering a total of 92,000 sq. ft. These factories are managed through 2 companies, Barber & Nicholls Limited and Nicholls & Wileman Limited. The factories, both of which are leasehold, operate approximately 445 knitting machines together with appropriate making-up machines. Production, which varies depending on the type of garment being produced, is currently running at about 40,000 dozen hose per week, of which some 3,000 dozen is in heavy denier yarn. About 75% of fine denier production is ladies tights and the balance is socks and stockings.

The division is organised primarily to supply, under contract, major retail chains and department stores who sell under their own brand names. Approximately 70% of output is to this type of customer and the balance, most of which is sold under our brand names of 'Mary Poppins' and 'Elle' is sold to wholesalers and smaller retailers.

In 1975 this division made a loss and 2 years ago we undertook a major exercise to rationalise the

activities of the division and to bring it back into profitability. The scale of production was cut and the range of products simplified; the number of customers was reduced and we cased direct selling to small outless; overheads were trimmed and the capital employed in the division was reduced materially. This exercise was a very costly one, but the impact of these costs was substantially reduced by the receipt of temporary employment subsidy, which amounted to £395,000 in the year to 30th September 1977 and £100,000 in the Collaboration was Alberton distributions and for the control of the c following year. Although this was a disruptive exercise we believe it has been a successful one. We now have a smaller operation, which we consider to be substantially more efficient and viable than 2 years ago. As shown above, the division achieved a profit before central costs, interest and tax of £300,000 for the year to ober 1978 compared with £54,000 for 1976 and £83,000 for 1977. Current trading is satisfactory and we believe that the division is soundly based to achieve good profits in the future.

As part of the rationalisation of this division, in September 1977 we closed our yarn texturising factory

at Durham, which traded as John Wallace Textiles Limited and whose performance had been unsatisfactory for several years. The summary figures set out above include turnover of John Wallace Textiles Limited of £361,000 and £565,000 for 1976 and 1977 and losses for these 2 years of £34,000 and £67,000 respectively, after crediting temporary employment subsidy of £59,000 in 1977.

#### **DIRECTORS**

I have already explained that the Caledonian Holdings board provides the chairman and in some cases also the managing director of the subsidiary companies and it is through these positions that the Caledonian Holdings board controls the activities of the group.

I set out below the directors of Caledonian Holdings and their particular responsibilities within the

Roy Burns LIRIA. I am aged 44 and am chairman and managing director of the group. I am also chairman of all sub-idiary companies in the group, other than 3 companies in the engineering division. I have been a director of Caledonian Holdings or its predecessor company for 13 years and I have been with

been a director of Caledonian Holdings or its predecessor company for 13 years and 1 have been with companies within the group for a total of 15 years.

Robson Conway CA is aged 40. His main responsibility is as managing director of Ideal Timber, an appointment which he has held since August 1974. He is also chairman of 2 companies in the engineering division. He has been a director of Caledonian Holdings or its predecessor company for 8 years and has been with companies within the group for a total of 14 years.

Herbert Maxfield is aged 62. He is managing director of Polarcold and is also chairman of one of the other companies in the engineering division. He has been a director of Caledonian Holdings or its predecessor company for 7 years and with Polarcold for a total of 31 years.

Bytan Neiman is aged 68. He is managing director of July Polarcold within the jettellery division. He

predecessor company for 7 years and with Polarcold for a total of 31 years.

Brian Neiman is aged 58. He is managing director of all the companies within the jewellery division. He has over 40 years experience in the jewellery trade and has been with companies which are now within the group for the past 26 years. He is currently chairman of the British Jewellers Association. He has been a director of Caledonian Holdings or its predecessor company for 7 years.

Norman Macfarlane is aged 52. He was appointed a director in September 1978 and is non-executive. He is executive chairman of Macfarlane Group (Clansman) Limited, a listed Scottish group, whose main activities are in packaging, particularly for the whisky and computer industries.

Geoffrey Newberty MA (1 con.) is used 48. He was also arrapined a director in September 1978 and is

Geoffrey Newbery MA (1 con.) is aged 48. He was also appointed a director in September 1978 and is non-executive. He is a director of Baird Textiles Holdings Limited, the Cheshire based textile group. He has been a non-executive director of each of the companies in the ladies hosiery division of Caledonian Holdings

I have a service agreement with Caledonian Holdings and Herbert Mastield has a service agreement with Polarcold. Details of these agreements are set out under 'General Information' below. None of the other directors of Caledonian Holdings has a service agreement with any group company. Each of the executive directors of Caledonian Holdings is a member of the Caledonian Holdings pension scheme.

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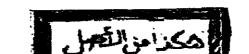
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10 apr. Bds. Red. (23-7-80)

5 Dominion Bank 27cts y Ln. 7½pc 1985-88 3½pc y Ln. 7½pc 2012-2015 3½pc N.7722p Ribbons 2.05p

Ribbons 2.000-2.50 4.000-01. 2.450c field 9 bot 8ds. Red. (1-8-79) 4.040c field 9 bot 8ds. Red. (1-8-79) 4.040c 3.000 4.77 1.650.10 fine. Supp. dist.

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Wolverhampton and Dudley Browerles 4.56459 (after articles re pension of the supplementary of

DIVIDEND X INTEREST PAYMENTS

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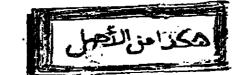
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513-rpc Rueby 123-pc Bds. Red. (23-7-80) 63-pcc Tameside 113-pc Bds. Red. (25-7-79) 27-pcc Triplex Foundries 1.8062p (nc. supp. dist.

113xpc Bds. Red. (25-7-79) 511/40C y 113xpc Bde.s Red. (25-7-79)



### **BUSINESSMAN'S DIARY**

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Feb. 6-7. ..

### UK TRADE FAIRS AND EXHIBITIONS

Title British Toy and Hobby Fair (01-707 7127) Jan. 27 Jan. 28 British Toy and Hobby Fair (01-707 7127)
Lightshow 79 (0248 88398)
Fancy Goods and Gift Trade Fair (041-334 9249)
Microsystems 79 (0483 31261)
International Spring Fair 01-499 7324)
London Catering Fair (0428 52785)
CBMPE London Exhibition (01-637 8841)
Cruft's Dog Show (01-493 6651)
Catering, Licensed Trade, Hotel and Club Exbn.
(0202 21812)
International Men's and Boy's Wear Exhibition
IMBEK (021-705 6707)
Photography at Work Exhibition (01-888 7788) \_\_Feb. 1 Jan. 30—Feb. 1... Jan. 31—Feb. 2... Feb. 13--15

#### OVERSEAS TRADE FAIRS AND

International Boat Show—BOOT (01-409 0956) International Audiovisual & Communications Show Internati: Sweets and Biscults Fair (01-409 0956) AIRMEC 79—The Aircraft Maintenance Men's Exbn. (St. Aibans 53213) International Motor Show International Toy Exhibition (01-439 3964)

### BUSINESS AND MANAGEMENT CONFERENCES

Textile Institute: Annual Conference: Cotton in a Competitive World (061-834 8457) (until Jan Institute of Offshore Engineering: Risk Analysis of Offshore Installations (031-449 5111)
ESC: 1979 Finance Directors Conference (057 Jan. 22-23 Jan. 22-23 282 2711)
Ashridge Management College: The Essentials
of Management Accounting (044 284 3491)
Institute of Personnel Management: The Elements of Salary Administration (01-387 2844)

Jan 23 Oyez-IBC: Presenting 1978/1979 Accounts—The
Options available (01-242 2481)

Jan, 23 Inducon: National Policy and Pay Re-structuring
(01-584 8171) (01-584 6171)

IPS: Improving Importing Procedures—for Profit

(0990 23711) The Henley Centre for Forecasting: Investment
Markets: Forecasts to 1984 (01-251 3841)
Investment and Property Studies: The Advantages
of Unlimited Companies for the Professional Practice (01-242 2481) 1PM: Foundations of Good Industrial Relations
(01-387 2844) Jan. 29-Feb. 1... Executant Conferences: Product Liability (0494 33171) FT Conference: Business in the Gulf (01-236 4382)
CCC: Minimising Tax Series 1979—Working
Abroad (01-222-6362) Jan. 30-31 Jan. 31 BCPA: Unfair Dismissal (01-405 1023) CCC: Minimising Tax Series 1979—VAT Oyes-IBC: Design Liability in the Construction lodustry (01-242 2481)

Development Board for Rural Wales: New Small Businesses (0686-26965)
University of Bradford Management Centre: Industrial Relations Negotiation (Bradford 42299) Cranfield School: Young Managers Course (0234 751122)
Oyez-IBC: Advertising to Doctors and Dentists
(01-242 2481)
PM: Unfair Dismissal—everything you wanted to
know but were afraid to ask (01-387 2844) Feb. 5 ............ Charterhouse Management: Finance for the Non-Financial Director (01-606 0121) Feb. 5—6 ..... Institution of Mechanical Engineers: Engineer and Society 01-839 1211)

IPM: Selecting the Right Candidate (01-387 2844)
Abacus: Rept Reviews and Renewal of Leases Feb. 5—6

Earls Court Olympia Cumberland Hotel, W1 West Centre Hotel, London Exbn. Centre, Birmingham New Horticultural Hall West Centre Hotel, London Earls Court Falcon Rooms

Olympia Wembley Conference Centre

EXHIBITIONS

### Amsterdam Paris

New Delhi Heriot-Watt University Royal Garden Hotel, W8 Ashridge College, Whites Hotel, W2 Europa Hotel, W1 Dorchester Hotel, W1

Sudbury House, EC1

Royal Lancaster Hotel, W2 Whites Hotel W2 Bull Hotel, Gerrards Cross Grosvenor House, W1

Carlton Tower-Hotel, SW1

Portman Hotel, W1 Waldorf Hotel, WC2 Portman Hotel, W1 Hilton Hotel, W1

Llandrindrod Wells

Heaton Mount, Bradford Cranfield. Bedford Royal Lancaster Hotel, W2

Dragonara Hotel, Bristol

St. Ermin's Hotel, SW1 Whites Hotel, W2 Odeon, Marble Arch, W1 Kensington Palace Hotel, W8 (07782 4471) .
Business Perspectives: China's Industrialisation— Grosvenor House Hotel, W1 the role for Britain (01-589 3197)

BACIE: The Qualification Jungle (01-942 6641)

ASM: The Legal Implications for Engineering

Coutracts (01-385 1992)

RRG: Managing the Risk (01-236 2175)

Park House, W4 Royal Automobile Club, SW1 Marriott Hotel, Amsterdam

Carlton Tower, W1

Piccadilly Hotel, W1 Piccadilly Hotel, W1 members' Bills.

pm. Room 6.

### **Parliament** this week

TODAY: Commons. Weights and Measures Bill, second read-

Committees. Public Accounts. Housing associations. Witness: Department of Environment. 4.45 pm. Room 16. Expenditure, Education, Arts and Home Office Sub-committee. Women and the penal system. Witnesses: National Association of Probation Officers, Prison and Borstal Governors branch of the Society of Civil and Public Servants. 4.15 pm. Room 15.

TOMORROW: Commons. Resumed second reading debate on Industry Bill. Social Security Bill, remaining stages.

Lords. Consolidation Bills Committee, Debate on future of Select Committees. National-

ised Industries, Sub-committee A. Report and Accounts. Witness: British Transport Docks Board, 4 pm. Room 8.

WEDNESDAY: Commons Public Lending Right Bill, remaining stages.

Lords. Representation People (Armed Forces) Bill. third reading Debates on social and industrial policy-making and proposed transfer of flights from Heathrow to Gatwick. Select Committees. National-

ised Industries, Sub-committee E. Ministers, Parliament and the nationalised industries. Witnesses: Professor J. B. Meach, Mr. M. Garner, 4 pm. Room 8. Nationalised Industries, Sub-committee B. Report and accounts. Witness: British National Oil Corporation, 10.45 am. Room 8. Science and Technology, Genetic Engineering Sub-committee DNA policy.-Witness: Health and Safety Executive. 10.30 am Room 15. Expenditure, Trade and Industry Sub-committee. UK domestic air fares. Witness: Airline Users' Committee, 10.15 am. Room 16. Expenditure, Social Services and Employment Subcommittee. Perinatal and neonatal mortality. Witness: Royal College of Obstetricians and Gynaecologists, 4.30 pm. Room 16. Overseas Development. Pattern of UK aid to India. Witness: Crown Agents, 4.30

THURSDAY: Commons Debate on Opposition motion on doubling of prices in under five years. Motion on EEC documents on the steel industry. Lords. Marriage (Enabling) Bill, second reading. Debates on industrial situation and London airports..

FRIDAY: Commons. Private

### **WEEK'S FINANCIAL DIARY**

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

Elliott Group of Peterbo Hison and Robbins 2.142¢ GET Int. 1.6¢ G.R. Hidgs. 4.05¢ WEDNESDAY JANUARY 24 COMPANY MEETINGS—
Devenish (J. A.), The Brewery, Hope Sq.,
Weymouth, 12.30
General Stockholders Invest, Trust, Winchester House, 100. Old Broad St. chester House, 100. Old Broad St., 10.45 AEPC, Dorchester Hotel, Park Lane, W. DIVIDEND & INTEREST PAYMENTStrhampton and Dudley Breweries, don Hotel, Castle Hill, Dudley, 12,

DIVIDEND & INTEREST PAYMENTS—
Atkins Bos. (Hostery) 1.375p
Avon Rubber 5.3571p
Aron De La Nacion Argentina Floating
Rate 1963 548.18
Birmlophem Mint 1.8p
Brisway 1p
Exchequer 12pc 1999-2002 54.7538
Initial Services 1.50
Kansalis-Oralic-Pankin Floating Rate Cap.
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1983 548.7606
Macanie (London) 6 3350 (for some dies Goldsmiths 0.85p Hidg. lovest. Trust 0.081s research Hidgs., Inv. Trust. 3p research Hidgs., Inv. Trust. 3p rabber 0.50 3 loc 1997 6 loc research 1.1 2 loc 1992 6 loc research 1.1 2 loc 1992 6 loc research 1.1 2 loc 1992 6 loc research 1.1 2 loc r

Elson and Robbins, The Post House, Bastocks Lane. Sandlacre, Notzingham. 11 aganvale Est., 1a Queen's Gate, 5W, 11 BOARD MEETINGS Ashdown Invest Trust antage Securities

COMPANY MEETINGS

Avon Rubber, Meiksham sham, Wiltshire, 12.30 BOARD MEETINGS— labiss

inigrin: Intr Property

Davy Corps, G.T. Japan Invest, Trus Smith Bros. Smith (David S.) DIVIDEND & INTEREST PAYMENTS-Alpine Soft Drinks 2.47867p fine, supp. dist. of 0.06567p 1.4.78)
Bellway Hidgs. Ord. 1.515p
Burnett and Hallamshire Hidgs. Ord. A 1.61334p fine. supp. dist. of 0.02152
31-3.781 31-3-701 Cathyns 2-29 Danies Gowerton 0.7p

Finals:
French (Thomas)
Kershaw (A.)
Renk Organisation
Tate and Lyle
Union Discount rims: din (James) Steel aton Thompson and Evershed dah, English and European Textiles histruisholt Mehi DIVIDEND & INTEREST PAYMENTS \$5.5505 Coventry 6 pc Bds. Red. (24-1-79) \$5.5505 Crawfey 6 pc Bds. Red. (24-1-79) \$5.5505 Dunferpline 6 at Bds. Red. (24-1-78) eth 6°pc Sds. Red, (24-1-79) 67pc Bds. Red. (24-1-79) E5.5505 orbingham 6 apc 8ds, Red. (24-1-79) of 5 apc 8ds. Red. C24-1-79; £5.5505 prough 6 apc 8ds. Red. (24-1-79) 52 apc 8ds. Red. (24-1-79)

#### CONTRACTS

### Pye TMC sells £4m X-Press callmakers

PYE TMC, the Philips sub- tried repeatedly by pressing only sidiary, has received orders one key.
worth f4m from the Post Office Pye TMC says that it is the button instruments.

The automatic dialling instru-nent called "X-Press callment called "X-Press call-maker" can store up to ten numbers each up to 18 digits long. Calls can be made to any of these numbers by pressing only two buttons.

The instrument can also be used to store numbers which are not in the permanent memory. The last number dialled is automatically stored so that if it is cal and bureaux facilities. The found to be engaged, it can be order is valued at over £350,000.

for 22,500 automatic dialling first time that a post office has telephones and 70,000 press offered this type of instrument to subscribers as part of its standard range.

> Barratt Developments, the house builder, has ordered 20 System Ten 220 computers from INTER-NATIONAL COMPUTERS. They will enable Barratt to continue development of a standardised accounting and management reporting system previously based on a variety of manual, mechani-

### Public Works Loan Board rates

Effective from January 20 Quota loans repaid at 13<del>}</del> 13<del>}</del> 13¦ 14¦ 14¦ 13<u>1</u> 13<u>1</u> 141 141 133

\* Non-quota loans B are 1 per cent higher in each case than nonquota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Brown (John) Burz Boulton Cook (William) THURSDAY JANUARY 25 COMPANY MEETINGS-DIVIDEND & INTEREST PAYMENTS-4Byggc herchbery Ests, 1.9715p (Inc. supp. dist. of 0.0455 31-3-78) onstruction Hidgs. 7 0.35p artivor 9 yet. Bds. Red. (1-8-79) 41 upc uskey 9 yet. Bds. Red. (1-8-79) 41 upc uskey 9 yet. Bds. Red. (1-8-79) 41 upc uskey 9 yet. Bds. Red. (1-8-79) 42 upc uskey 1 upc x 1.00 pc upc upc upc bds. Red. (21-7-82) 13 upc rts Brewery, Chamber of Com-75 Harborne Rd., Birmmeham. and London law, Trust, Royal Ex-Dundee, 12 Wharf. Hibernia Chambers, see Close, London, Bridge, 5E. Howis McDougail, Purcell Room, I Festival Hall, SE, 12 h Jnv. Trust, 6 Albyo Place, Edis-Eastbourne 11 spc pus 515-topc Essex Var. Rate Eds. Red. (20-7-83) £5.625 Viessoe, 5t Ermin's Hotel, Canton St. SW. 12 BOADN sosport 10 ac Bes. Red. (23-7-80) 5 issot.
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hrosmorton Trust
DIVIDEND & HIVEREST PAYMENTS—
urton 10terc Bds. Red. (20-1-82) 51 epc
trwood Garages (6:125)
ustrella & New Zealand Banking 5.2182p
ankers Trust New York Corp. 75cts.
Jaenau Gwent 10tepc Bds. Red. (20-1-82)
51 epc orupoc retirer 1.1p smegt-Roadstone 7pcPf. 2.45pc rrs. of London Black Bds. Red. (23-1-80) llack L'ADE L.C. 65cts Philiph PMITtp1 1.495p dnc. supp. dist. 145p 31-3-781 Slapt 84s. Red. (23-1-80) 41<sub>8</sub>pt -3285p

; 2,32859 v Isles. Var. Rate Bds. Red. 1-83) 55.575 e Var. Rate Bds. Red. (19-1-83) Var. Rate Bds. Red. (19-1-83) 12pc 1995 Spc d 94pc Bds. Red. (21-1-81) FRIDAY JANUARY 26

COMPANY MEETINGS—
Chemring, Alchem Works, Fratton Trading
Est., Portsmouth, 12
Ccoper ufvedericki, Goldhorn Hotel, Penn
Rd., Wolverhampton, 12
Vaux Brewerles, Seaburn Hotel, SunderLand, 12
Williams (Lohn) of Cardiff, Royal Hotel,
St. Mary St., Cardiff, 12
BOARD MEETINGS—
Finek:

of 0.0462 31-78) SUNDAY JAMUARY 28 DIVIDEND X.INTEREST PAYMENTS— Idian Pacific Red. Pl. (Series A) 35000

#### LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on

offer to the public.

For advertising details please ring

Stephen Cooper

01-248 8000 Extn. 7008

#### CALEDONIAN HOLDINGS LIMITED OFFER FOR SALE BY NOBLE GROSSART LIMITED.

ociation of Caledonian Holology contain provisions (noteralis) to the following effect:

en language.

Voting rights

Subject to any special rights or restrictions as to coding attached to now close of chares, on a show of hands every member present shall have one tope an respect of each 25 peace in nominal amount of share capital as which he is the holder. A corporation being a member is deemed to be present in person if represented by proxy or in accordance with

The Henley Centre for Forecasting: Practical

Training in Forecasting (01-251 3841)
ASM: Project Management (01-385 1992)
U.S. Expatriate Taxation: Workshop (01-666 5531)

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All we say of the special rights, privileges or restrictions for the time being stated to any class of shores for the time being issued may from time to time (whether as not Celectomen Holdings as being wound up) be shropped, varied or modified with the consent in writing of the holders of not less than there-fourths of the states of with the sacction of an extraordinary resolution person as a separar general meeting of such holders. At every such separate general meeting of the provisions of the articles of association of Celectomian Holdings as to general meetings of excitations of the content of the sacctions of the articles of association of Celectomian Holdings as to general meetings of Celectomian Holdings small meants intransis apply, except that the necessary quartum shall be 2 persons at least holding or representing by preary one third in nominal amount of the issued shares of the relevant class (but no that if at any adjourned meeting of saddings or representation to the superior of the region of the preary shall be 2 persons as the region of the preary may demand a poll. The special rights conferred upon the holders of any shares or class of shares shall easily be decreased by the creation of the preary may demand a poll. The special rights conferred upon the holders of any shares or class of shares shall easily be decreased by the creation of space of further shares ranking part passu there with.

Absolute the decined to be vapated by the creation or same of further shares ranking pair passus therewish.

The semanteration of the diseasers for their services as directors shall from time be determined by Caledonian Holdings in general meetings and shall be divided among them in such proportion unit susmer as they may determine, and in definit of determination, expailly. The directors, or general meetings, or otherwise incurred in or about the business of Caledonian Holdings. Any director, who holds are executive effice, or is appointed chairman or change chairman or who servers on any committee or who deverses special anestion to the business of Caledonian Holdings. Any director, who holds are executive effice, or is appointed chairman or change chairman or who servers on any committee or who deverses special anestion to the business of Caledonian Holdings or the otherwise performs services which is the opinion of the directors are given or the modern of the directors are given or away of the modern of the directors are given or away of the modern of the control of the powers by this article confidence of the control of the powers by this article confidence of the control of the powers by this article confidence of the control of the powers by this article confidence on which are given as a director in respect of any contract or arrangement or any other proposal whoseover in which he has provide in the article, a director shall not once in respect of any contract or arrangement or any other proposal whoseover in which he has powers relation to the control of the powers by this article confidence provided the this provision shell not apply, inter alia, ty, (i) the givi

or near conserver (iii) below, subject to the Crimed of The Stock Hechange admining the confinery there of Caleboden, Heldings, I that Librard story there of Caleboden, Heldings, I that Librard story them the Internal confinery there of 250 can be also their their

tentent disted 4th Japuncy 1979, relating to the acquisition by Caledonian Holdings from Stendaruse Holdings of the whole of Stendaruse Properties. This agreement is referred to under Subsidiary compenses above. This jaminary 1979, beingethe Culer for Sale contract between Noble Grossan Limited, Stendaruse Holdings and Caledonian o under Culter for Sale countract, above:

Neither Calestonian Holdings nor unit of its subsidiaries has any integration or clearus of material importance pending or investencel against it. Noble Groupet has given and has not withdrawn in written consent to the issue of this document with the inchasion sheet no form and crossent as which it is included.

Thronson McLimoth & Co. have given and have not withdrawn their written consent to the issue of this document with the inclusion sin of their auditoriants' report and their ferences to their mane on the form and content on which they are included.

Richard Ellis have given and have now which was their written consent to the issue of this document with the inclusion therein of properties and the references to their mane in the form and content on which they are included.

Richard Ellis have given and have now which we not written contents to the issue of this document with the inclusion therein of their rich of properties and the references to their mane in the form and content on which they are included.

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Richard Ellis have given and have now which we not a support to the state of the inclusion of their accountments' report, have been attached no a copy of the Older for Sole and the forms of opplication are all politics; it registered in Southern REF 2008.

Recommendation and the support of the commendation of the content of the content

of the following decreases may be improved at the offices of Boyds, 36 Renfield Street, Glagow G2 IND and of W. Greenwell & Jells Efense, Bread Street, London RCAM 921, during usual business hours on any weekday during the 14 days following the

### PROCEDURE FOR APPLICATION

Applications (which must be for a minimum of 200 shares and in makiples of 100 shares up to 2,000 shares, is makiples of 100 shares between 5,000 and 25,000 shares, in makiples of 1,000 shares between 5,000 and 25,000 shares and thereafter in misples of 3,000 shares between 5,000 and 25,000 shares and thereafter in misples of 3,000 shares must be must be used to up the application from provided and forwarded to Bank of Scotland at either (a) New same Department, 264. Not; Flace, Edinburgh 1871 257 or (b) New Issue Department, PO Box 277, 30 Eshapospate, London CEP, 2011 to arrive and later than 10 and any or Tourney 1872.

Each upplication from must be accompanied by a separate choose (which must be drawn on a bank in said be provide in England, Scotland Valed) in spent of the full amount payable on application, make payable to "Sank of Scotland" and crossed "Not Negotiation. No application it be contributed unless the above conditions are further.

No like Gelater (viewes the inject to preciat at Sciences for payament on receipt, to retain lensers of acceptance and surplus applications are further and the surplus applications and the payable of the payable

The state of the s

al consideration will be given in respect of a maximum of 1,000,000 ordinary shares to applications made by than-chedden of shiftings on the register on 12th January 1979 using the preferential application forms sent to them. In the event of the rotal side on preferential application forms by shareholders of Stenhouse Holdings exceeding 1,000,000 shares, such applications will be in acceptance proper are to the espectures shareholdings of the applicances at 12th January 1979. The excess of such applications over res will be considered for acceptance on the same basis as applications made by the general public.

or of applications will be conditional upon the whole of the issued base capsal of Caledinian Holdings being admitted to the TTRs. Note Exchange not later than Wendendey S1st January 1979. Money spad in respect of applications will be returned it such the Official Lux has not been granted by that dute and, in the meantime, will be retained by Bank of Scotland in a separate account.

enounceable up to 20th February 1979. The shares now being offered for sale will be registered free of samp mes of the purchasers or persons in whose favour letters of acceptance have been renounced, provided that, in occeptance duly completed in accordance with the instructions contained therein are lodged for registration on

Copies of this Offer for Sale can be obtained from:
Noble Grossart Limited 48 Queen Street, Edinburgh EH2 3NR
W. Greenwell & Co. Bow Bells House, Bread Street, London ECAM 9EL Parsons & Co. 100 West Nile Street, Glasgow G1 2QU

New Issue Department, 26A York Place, Edinburgh EH1 3EY (031-556 9351) New Issue Department, PO Box 267 30 Bishopsgate, London EC2P 2EH (01-588 7651)

and from the following branches of Bank of Scotland: West End Branch, 501 Union Street, Aberdeen AB1 2DB PO Box 9, 34 Reform Street, Dundee DD1 9AU PO Box 152, 110 St Vincent Street, Glasgow G2 5EJ PO Box 9, 9 High Street, Inverness IV1 1JB

Piccadilly Circus Branch, 16/18 Piccadilly, London W1V 0AH St John Street Branch, 50 St John Street, Perth PH i 5SL and from the following branches of Barclays Bank Limited:

PO Box 34, 63 Colmore Row, Birmingham B3 2BY PO Box 100, 28/30 Park Row, Leeds LS1 1PA PO Box 107, 4 Water Street, Liverpool L69 2DU PO Box 357, 17 York Street, Manchester M60 2AU

Number of theres 200 300 400 500 500 500 700 300 900 1,000 2,000 5,000 10,000 20,000 50,000 100,000 Amount purable (£130 £195 £260 £325 £90 £455 £520 £55 £650 £1,300 £2,50 £6,500 £13,000 £32,500 £55,000

2. Number of shares accepted

Amount received on application.

### APPLICATION FORM

THE APPLICATION LIST WILL OPEN AT 10 A.M. ON THURSDAY 25th JANUARY 1979
AND WILL CLOSE AT SUCH LATER TIME ON THE SAME DAY AS NOBLE GROSSART LIMITED MAY DECIDE.

## Caledonian Holdings Programme Caledonian Holdings Offer for Sale

### by Noble Grossart Limited of all of the 10,000,000 issued ordinary shares of 25p each

at 65 p per share payable in full on application

To: Noble Gros Gentlemen,	ssart Limited			- <b>-</b>					ε .	
	Number of shares for which application is made	. ,		Amount of cheque enclosed					4. Amount payable on shares accepted	
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ALL JOINT APPLICANTS MUST SIGN

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INDUSTRIAL AND COMMERCIAL

ENGINEERING—Continued

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Oct. Examined Mebal
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Dec. Hampion 5p
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FOOD, GROCERIES-

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381 Moscow: Kutuzovsky 14, Apartment 1, Moscow, Telex 7900 Tel: 243 1635 Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 12171 Tel: 240 555 Birmingham: George House, George Road, Telex 338650 Tel: 021-454 0922 New York: 75 Rockefeller Plazz, N.Y. 10019. Telex 66390 Tel: (212) 541 4625 Sonn: Presshaus 11/104 Heussaliee 2-10. Telex 6869542 Tel: 210039 Brussels: 39 Rue Ducale, Telex 23283 Tel: 512-9037 Cairo: P.O. Box 2040. Tel: 938510 Paris: 36 Rise du Sentier, 75002.
Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 478-10.
Tel: 253 4848
Rome: Via della Mercede 55.
Telex 610032 Tel: 678 3314 Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321 Stockholm: c/o Svenska Dagbtadet, Raz Telex 17603 Tel: 50 60 88 lohannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545 Tokyo: 8th Floor, Nihon Keizzi Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104 Tel: 241 2920 Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex 12533 Tel: 362 508 Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20004 Telex 440340 Tel: (202) 47 8676 Madrid: Espronceda 32, Madrid 3. Tel: 441 6772 Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381 New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300 ADVERTISEMENT OFFICES Birmingham: George House, George Road, Telex 338650 Tel: 021-454 0922 Edinburgh: 37 George Street, Telex: 72494 Tel: 031-226 4139 Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01 Tokyo: Kasahara Building, 1-6-10 Uchiljanda, Chiyota-tou. Telex J27104 Het: 295 4050 Leeds: Permanent House, The Headrow. Tel: 0532 454969 Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY SUBSCRIPTIONS For Share Index and Business News Summary in London, Binningham

Liverpool and Manchester, Tel: 246 8026

SHARE INFORMATION SERVICE

BANKS & HP-Continued CHEMICALS, PLASTICS—Cont. | Livit | Stock | Price | | Dat | Date | Price | Date | Da | Last | Div | Yild |
| Price | si | Net | C'er | Gr's | P/E Hire Purchase, etc. BEERS, WINES AND SPIRITS Dec. June Beil Arthur 50p | 187 | 3

— Beltwen Bewery | 85 | 2

Jan. July Border Brew's | 85 | 2

Jan. July Border Brew's | 72 | 2

Jan. July Border Brew's | 188 | 1

Jan. July Buckley's Brew | 46 | 1

April Aug Bulmer (H.P.) | 147 | 1834 |

Fb. My Aug Nv City Lon. Def. | 59a1 | 4

Apr. Oct. Clark (Matthew) | 146 | 7

Feb. Oct. Distiller's 50p | 21

Mov. July Gough Bros. 20p | 61

Nov. July Gough Bros. 20p | 62

Ang. Feb. Greenall Whitley | 122 BUILDING INDUSTRY TIMBER AND ROADS

July Aberthaw Cem. Oct. Ailled Plant 10p... Oct. Armitage Shrks... Arnoliffe 10p... Aug. BPB Inds. 50p. Aug. BPIS into, JUP.

Aug. Basiley Ben 10p.

Aug. Barnbergers
Dec. Barratt Dev. 10p.

Aug. Beechwood 10p

Benitox 20p.

Oct. Benitox 20p.

Oct. Benitox 20p.

May Blue Circle £1

Nov. Bundsell Perm.

May Breedon Lime.

Brit. Dredging.

Nov. Brown Jksa. 20p.

July Browniee.

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Nov. Stanley A.G. 59
Apr. Stains Dist. 10p
Apr. Steinberg 10p
July Time Prods. 10p
July UDS Group
Dec. Upton (E) 'A'
May Vantona 20p
Nov. Walker (Jas.)
Nov. Walker (Jas.)
Jan. Wallis 10p
June Wearweil 50
Sept. Witar Mill 10p
Nov. Wilkrsn Warbin
Oct. Woodworth

**ELECTRICAL AND RADIO** 

CHEMICALS, PLASTICS

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FOOD, GROCERIES, ETC.

ENGINEERING ENGINEERING

MACHINE TOOLS

April | AC.E. Machinery | 115 | 13.2 3.43 | 2.9 4.5111.9 |

T. June A.P.V. 50p | 203 | 2.10 15.8 | 4.4 4.3 7.5 |

pr. Sept. Acrow | 108 | 16.10 15.2 3 | 4.2 4.4 8.1 |

pr. Sept. Do. 47 | 108 | 16.10 16.2 3 | 4.2 4.4 8.1 |

pr. Sept. Do. 47 | 108 | 16.10 16.2 3 | 4.2 4.4 8.1 |

pr. Sept. Do. 47 | 109 | 38 5.2 7.6 |

pr. Oct Alcan Aluminism | 137 | 9.9 | 2.911.2 4.6 |

pr. Oct Alcan Aluminism | 137 | 9.9 | 2.911.2 4.6 |

pr. Oct Alcan Aluminism | 137 | 7.7 | 11.4 0 | 1.7 | 11.5 | 16.3 |

pr. April | Acron | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |

pr. Sept. Acrow | 28 | 1.5 | 1.5 | 1.5 |

pr. Sept. Acrow | 1.5 | 1.5 | 1.5 |

pr. Sept. Acrow | 2.10 | 1.0 |

pr. Sept. Acrow | 2.10 | 1.0 |

pr. Sept. Acrow | 2.10 | 1.0 |

pr. Sept. Acrow | 1.5 | 1.5 |

pr. Sept. Acrow | 1.5 | 1.5 |

pr. Sept. Acrow | 1.5 |

pr. Acrow HOTELS AND CATERERS INDUSTRIALS (Miscel.)

FOOD, GROCERIES, ETC... Apr. S. Mori A. Mori A

المكدامز الأجهل

## FINANCIALTIMES



## Cost of Sullom Voe 'could top £1bn'

BY KEVIN DONE, ENERGY CORRESPONDENT

I refrigeration equipment

the project planned by British weeks on and one week off.

self-sufficiency in crude oil go out of the wiproduction by 1980, is already demand was met. expected to cost at least £813m. than £1bn if plans for four more

#### Capacity

The terminal is presently designed to have a capacity for how much capacity will be processing and loading 1.4m needed at Sullom Voe in four barrels of crude oil a day by years to meet the rising crude end of 1981, equivalent to more than two-thirds of UK's total crude oil consumption.

It began limited operation in November, but construction work at the site is threatened by mass meetings today and mechanical tomorrow workers, who are pressing for improved pay and conditions.

The 1,600 mechanical workers at Sullom Voe have been offered a 5 per cent rise pay increase along with a productivity offer of a further 6 begin stabilising crude from the per cent which would bring Ninian pipeline in September, average wages at the site up and the liquid petroleum gas to £240 for a 70-hour week.

fion workers and the dock gas worth millions of pounds is labour force, but mechanical having to be flared offshore.

THE COST of building the workers at the isolated site are Sullom Voe oil terminal in the demanding a work cycle of three Shetland Islands will rise to weeks on and one week off more than £1bn if additions to instead of the present four

Petroleum, the terminal manager, are approved.

The terminal, which is vital to the UK's hopes of reaching building the terminal "would weekend that the economics of building the terminal "would building the terminal building the t

An extra 400-500 men would But this will rise to more have to be employed, but they would be constantly on leave. Civil construction work at the crude oil storage tanks, a mulipetty and two more crude oil site is also threatened by loading pumps are given the road haulage strike. Supplies of sand and cement could be about two weeks. exhausted in about two weeks. The 31 oil companies involved in the project will hold their

annual meeting in May to decide years to meet the rising crude production from the oil fields east of the Shetland Islands. With more fields to be developed, such as Magnus, North West Hutton and Hutton the companies could decide to up-grade the facilities to handle as much as 2m barrels a day in the early 1980s. This could push up the cost of the project by another £200m to more than

£1.2bn, said Mr. Ferguson. On the present schedule, the terminal should be ready to begin stabilising crude from the separation facilities are likely The offer has aiready been to start coming on stream in the accepted by the civil construc-second half of 1980. At present

Comecon barter deals 'could

BARTER DEALS with Eastern key sectors of industry in the the East still needed much of

products were also "finding their foothold in West Europe's

Eastern Europe was expected

to become a net exporter of

polyvinyl chloride, low-density

polyethylene and polypropylene

planned chemical production capacities that would "saturate"

their domestic markets. They

were not making those plans " to

drown their own populations in

multinational corporations and The possible threat to jobs in national secretaries, should the individual member states of Western Europe was not detail plans proposed by indi-

Third bid for wheat agreement

erve stocks in times of

surplus supplies, such as now,

states

Gertain Comecon

threaten jobs in the West'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

The study, in the form of a from Yugoslavia.

involving Western multinational

chemical groups and process plant contractors in Eastern

It calls for all barter agree-

ments, known as compensation

deals and process plant con-

tracts with Comecon members

to be publicised so that their

long-term effect on employment

in Western Europe may be

The study says: "The crucial

should take place but whether the type and size of arrange-

ments entered into between

A THIRD ATTEMPT to nego-

tiate a new international wheat agreement aimed at

controlling world prices be-

The aim of the three-week

talks is for countries export-

ing and importing wheat to

agree on stabilising prices by

regulating supplies coming on

to the market.

This would be done by building nationally-held res-

gins in Geneva today.

is not whether trade

BY JOHN EDWARDS, COMMODITIES EDITOR

Europe by multinational com- West but put at risk the jobs panies might put at risk the jobs of thousands of workers."

of thousands of workers in the Western European West, including the UK, according to a study by the General and Municipal Workers Union.

booklet written by Mr. David Eastern Europe provided Warburton, the union's national three-tenths of the Netherlands'

of 160 contracts and transactions France's. Plastic, glass and other

markets.

**Obstacles** 

by 1982.

a sea of plastic."

Comecon will not only saturate immediately evident because vidual companies.

The construction work already agreed, estimated to cost £813m, should be completed before the end of 1981, Mr. Mike Pattinson, manager of the project said a the weekend. The terminal is now 58 per cent complete.

The workforce at the terminal is. more than 5,000 and this is go out of the window" if the likely to peak at 6,000 in spring or early summer. There is a severe shortage of accommoda tion, which will limit further dation vessel is due to be moored at the Sullom Voe port in the next few weeks.

The Shetland Islands Council has agreed to the use of a Swedish vessel, the Stena Baltica, which will have beds for about 350 men. But, in return, it has secured a payment of £150,000 a year from the oil companies to allow use of the ship.
The terminal was officially in-

augurated at the weekend by Mr. Robert Bruce, the Lord Lieutenant of Shetland.

Referring to the oil pollution he said the Shetlanders' confidence that the oil industry could operate without causing a mess had been severely damaged. About 1,150 tonnes of heavy bunker fuel oil was spilled into the harbour of which 700-800 tonnes has been recovered from beaches and

rocks. News analysis, Page 4

its new production capacity to

satisfy internal demand. Among main obstacles to pursuing anti-

dumping complaints against Eastern Europe was "lack of

At national level, banks and

other financial institutions should be made to detail their

involvement in compensation

deals. National Governments

should then consult trade unions

and companies as to whether

these deals were prejudicial to

their economies and their wor-

kers. In the UK that should be

related to the Government's

The European Commission

should establish an effective

monitor on all compensation

deals and plant contracts. Trade

unions, through their inter

But a compromise deal

worked out between two key

protagonists, the U.S. and the

EEC, has raised hopes for a

successful outcome of the

present conference, though it

is by no means a foregone

Adding pressure for an

agreement is that the negotia-

tion of a wheat pact is closely

linked with the wider multi-

It is claimed that a deal on

wheat, is required before agreement can be reached on

industrial goods.

lateral trade negotiations.

industrial strategy.

and international levels.

## Most pay deals now over 5% says CBI study

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MOST EMPLOYEES who are now signing pay deals are get-ting more than the Government's basic 5 per cent pay limit according to figures re-Confederation of British In-

CBI's pay data bank, show that most of the 1.6m people now covered by 537 pay deas have exceeded the basic limit either by using pay White Paper's exceptions for low-paid workers and productivity deals or by ignoring the White Paper's

This means that a large number of deals are being struck between 5 and 10 per cent and the figures provide detailed evidence of the problems the Government is facing. The largest batch of people exceeding the 5 per cent limit are in a group of 1.3m covered by private sector national agreements, including five wages council deals, the majority of which have used the White Paper's exceptions for the low

The general trend above 5 deals for 320,000 workers in

company level and public sector negotiations which the CBI explains in more detail for the

About 55 per cent of these workers have accepted 5 per cent or less as a basic settlement, but nearly half of them have also negotiated pro-ductivity deals which the CBI says add an average of 5 per cent extra.

A further 10 per cent of the workers have accepted 5 to 10 per cent basic deals, with a fifth of them taking productivity The remaining 35 per cent of

the workers have accepted more than 10 per cent, so underlining the general level of settlements above the 5 per cent limit.

A third of this last group

about 30,000 workers, are pub lic sector employees cashing in on special rises promised to them by the Government during The data bank also reports continuing high level of pay claims. More than a third of 270 claims for 5.5m workers recorded would increase employ-

The general trend above 5 ment costs by 30 per cent or per cent is then supported by more, and a half of them want detailed information of 512 a shorter working week as well.

### Big response likely to action day call

BY CHRISTIAN TYLER, L'ABOUR EDITOR

Unions representing nearly 1.5m low-paid manual workers expect a big response to their call for a day of action. But a ban threatened by

London ambulancemen on emergency work was lifted yesterday by shop stewards. They then information from State-run Comecon utilities on their met Mr. David Ennals, Social Services Secretary, who agreed to look again at their case for The study ends with a call more pay later this week.

> for their decision, but said he was still gravely concerned about future disruption.
>
> Tens of thousands of demon-

strators are expected in London for a march and rally at Central Westminster. Similar rallies will be held in other

But even as preparations for the long-planned protest began there were some hopes that the ensuing campaign of selective industrial action would be

hoped to stick closely to its amended wage policy for the they would not answer emer-lower-paid, unions said that gency calls.

PUBLIC SERVICES will be dis- some employers had admitted rupted, schools closed and some that they had to put more cash and ambulance work on the table before the promised stopped today in many parts of public-service pay inquiry could

The extent of the militance

will become clear this week, and may determine how far the Government yields to private approaches to be made in the next few days. Last night Mrs. Shirley Williams, Education Secretary,

appealed to unions not to disrupt schools, already hit by the tanker-drivers' and lorry-drivers'

She said there had been an "appalling threat" from some officials of the National Union Public Employees that children would be physically stopped from crossing picket The possibility of some indus-

trial action by water and sewage workers cannot be ruled out. despite the 14 per cent pay and productivity offer from the Water Council on Friday.

action would be The Army and St. John
Ambulance Brigade have been
the Government asked to stand by in Cardiff, where the ambulancemen said

### Meeting resumes today on lorry drivers' strike

TALKS BETWEEN employers volved Mr. Moss Evans, general and unions in the road haulage secretary of the transport dispute will continue this after workers, and Mr. Jack Aswell, noon after more than seven hours of discussions yesterday. had been exploratory. Neither the Road Haulage Association nor the two unions whose drivers are on official strike were prepared to divulge details of yesterday's talks, held under the auspices of the Advisory Conciliation and Arbitra-

Mr. Jim Mortimer, chairman of the service, said the association, the Transport and General Workers' Union and the United Road Transport Union had had a detailed exchange of views. that the discussions, which in- cent.

The Government's decision on Friday not to use its powers higher charges in the road haulage industry has removed a constraint that the employers said prevented them from improving their 15 per cent

chairmen within the association would almost certainly be ready now to suggest tabling higher Mr. George Newman, director pay offers, possibly up to the general of the association, said union's full demand of 23 per

### Kuwait moves to free extra oil

Since November representa-

BY LESUE MITCHELL IN KUWAIT

oil to compensate for the shortages caused by the crisis in Iran, is considering signing special considering signing special, short-term contracts with three been lifting the maximum they of the Iran Consortium memebers for 40,000 barrels a day each of Kuwait 31 API crude

Although the amount would customers that the Iran disrupot seriously dent the shortfall tion will cut back deliveries. about 5m b/d caused by the tives of the companies have an crisis, it could encourage lobbied the Kuwait Oil Ministry her OPEC countries to start to no avail. The issue is sensipplying extra oil. tive in the Gulf, because the

The consortium members, tive in the Gulf, because the ell, BP and Gulf, are also countries don't want to be seen iwait's three biggest cus to be taking advantage of Iran's mers. BP has a 40 per cent troubles. One oil company officoncessionaries in Kuwait, get are in the Consortium and cial said he thought the issue a 15 cent a barrel discount under so a contract to lift a so "politically hot" that Kuwait their regular contract with rwait crude a quarter. Shell make up for Iran. has a 14 per cent share in the But the arrival in Kuwait, this special contracts would not in-Consortium and a contract to week of Sir David Steel, chair-clude these benefits.

KUWAIT, which for months has lift a maximum of 405,000 bd of man of BP, and Mr. Paul refused to sell any extra crude Kuwait crude. Gulf has a 7 per Skinner, head of government cent share and a contract to acquisitions for Shell Interlift a maximum of 575,000 bd. national Trading Company, All three companies have fuelled speculation that a new deal might be raised in the are allowed under their con-Supreme Petroleum Council. tracts with Kuwait but Under the deal Kuwait would desperately need more crude. They have already told their

sell the companies 40,000 bds of Kuwait 31 API crude under separate one-year contracts, with several conditions: the price would be the official OPEC price of \$12.83 a barrel, credit would be on the official 60-day period, and the crude would have to be transported by Kuwaiti tankers.

BP and Gulf, as the former ximum of 504,000 bd of wouldn't sell more crude to Kuwait. Shell, as a large lifter, gets 15 extra days of credit. The

THE LEX COLUMN

## A fine balance in equities

Can nothing shake this equity market? For the past three months the FT 30-Share Index has not strayed by more than 3 per cent either side of 480; on Friday night it closed at 478.9. During the period expectations about inflation have significantly worsened, while industry is faced with physical disruption and now the Government is trying to attack company profits once again through the Price Commission—a nasty practice which it largely gave up several years ago. But through all this. share prices have remained resolutely steady.
It is never very hard to find

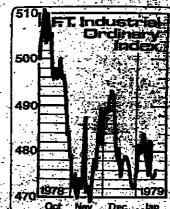
arguments why the marke should rise or why it should fall. The real puzzle at present is why such a delicate balance has been established. It is clear why many of the big institu-tional funds are interested in buying shares at current levels. Company profits and dividends have been growing difficulties strongly since 1975, at a rate have been growing diffite market increasingly dominated now is whether the clearers are strongly since 1975, at a rate by long-term investors. Pension going to perform any better-exceeding that of inflation. The fund managers are clearly refue over the next five years than pension funds, in particular, tant to change their buying over the last five.

wish to maintain and possibly criteria because of temperary. The stocktoroking frateristly increase the equity proportion changes in sentiment. They are is agreed that profits in 1979 period in which this percentage sellers.

Even some of the funds with contembra about the longer term. has been reduced by purchases of gilt-edged. Above all, the of gilt-edged. Above all, the a shorter term perspective, like fund managers are conscious of unit trusts, are comparatively the continual inflow of new inactive. Dealing expenses and money—estimated in a new review by brokers Wood Mackenzie at £3.7on each in 1979 for life assurance companies and pension funds. "Inflationary wage settlements will push our cash flow even higher," pointed out ene nationalised industry pension

fund manager on Friday. Meanwhile the highly liquid state of the company sector has favoured the share market. New equity issues totalled only about £500m in 1979, compared with around £1.30n in 1975, Takeover offers have also been feed-ing significant sums in cash back into the hands of shareholders;

bear argument — the rise in interest rates. forced up the level of money variations in liquidity during chytonsty, the key factor in rates, and the widening of the small by comparison with visitors level and the vield gap in factor in the small by comparison with visitors level and the vield gap in factor in the small by comparison with visitors level and the vield gap in factor in the small by comparison with visitors level and the vield gap in factor in the comparison with visitors level and the vield gap in the comparison with visitors level and the comparison with the comparison yield gap in favour of giltedged drained away demand and put an effective ceiling on



is talk of another resort to a desperate wage and price freeze. Which would no doubt involve new clamps on dividends. But the equity market is behaving as might be expected of a market increasingly dominated by long term investors. Pension

Even some of the funds with net fund has to envisage a fall of 10 per cent in the market before an out-and-in operation could break even. Many fund managers would have to foresee a 20 per cent fall before ron-sidering that the risks of such an exercise to be worthwhile. With a General Election and possible Conservative Government due any time between now and October, few are willing to take that kind of chance on a downward market break

Moreover the investment institutions have gained in political consciousness. Under the scruting of the Wilson Cominto the hands of shareholders; the scrutiny of the Wison Comcash outlays on acquisitions in mittee, and in the case of peathe UK probably reached sion funds answershle to
around £700m last year (against trustees who are unlikely to be.
£236m in 1975).

Against this bullish back from normal investment
cloth there has until recently behaviour, their influence has
been only one really major become stabilising rather than builish back from normal investment has petered out, and the banks util recently behaviour, their influence has bid to diversify juto more really major become stabilising rather than profitable areas will lead in the reverse As Wood Mackensie forther rights issues.

Government points out, quarter-by-quarter any assessment of bank shares small by comparison with fitting level of interest rates, changes in the 1974.75 period. Nevertheless the fact that the

powerful fund managers whose of financing themselves even equity prices.

concept of value in the county during a period of historically.

Now, further bearish possible market is remarkably well high interest rates does not littles loom. Company profits defined. What could change augur well. There is no sign could be mangled between wage their minds? The key, once that they have suddenly furned demands and a tight Govern again, is probably the level of over a new leaf.

interest rates. Expected divi-dent growth has recently been steaddling the gan between yields on equities and gilts. Already, however, gilt-edged yields have been tending to rise, and the appearance of any serious threat to dividend growth would leave share prices.

vidnerable.
The public spending White Paper and the wages crisis have: served to clarify the threat of a PSBR in 1979-30 climbing in say, £10bn and a further sharp rise in long-term interest rates Developments here will determine which way equifies break out of the current trading

Banks in 1984

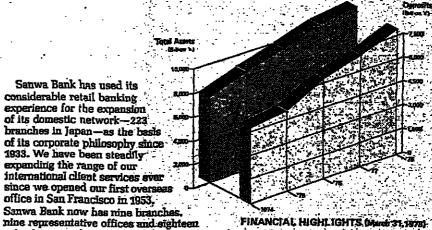
While the banks will be sa to have done well in 1978 when they invest their results next month, the question investors should be asking themselves

consensus about the longer term—something which is under lined by two weighty tomes recently produced by Laing & Cruckshank and L. Messel.
L & C believe that the handshave now entered a period of relative profits ophperformence. Their confidence is based on assumptions that capital spend-ing will level off, the rate of asset growth will be more pedes trian than of late, and that average base rates will be

higher than the rate of inflation.
Messel are far less sanguine about the outlook and believe that over the medium term the lower than for the market as a whole. They recken that over heads have risen to such an extent that domestic clearing bank priefts virtually disappear when interest rates drop below 8 per cent. Elsewhere the growth in international banking

We have, then, a body of banks have not proved capable

### If you judge a bank by results, take a look at Sanwa Bank.



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## الكوام الكول

to be released in time of shortage. Two full-scale negotiating conferences and many other meetings last year failed to resolve differences between

exporting and importing countries on price ranges, size of reserve stocks and who would foot the bill for carry-

### Weather

UK TODAY

CLOUDY, some sleet and snow. London, S.E., Cent. S., Channel Cloudy, sleet and snow. Max. 3C (37F).

E. Anglia, E. Midlands Dry, dull and misty. Max. 3C (37F). W., N.E. England, Borders,

BUSINESS CENTRES

South. Dry elsewhere.

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Edinburgh, Dundee Freezing fog. Mainly dry. Max. 3C (37F). W. Midlands, Wales, N.W. and nt. N. England, Is. of Man, S.W. Scotland, Glasgow

Freezing fog. Cloudy. Max. Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland

Rest of Scotland N. Ireland

HOLIDAY RESORTS

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Cloudy. Some rain. Max. 3C

Dry and sunny. Max. 5C (40F). • Outlook: Sleet or snow in

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